



RECHARGE RESOURCES LTD.

Condensed Interim Consolidated Financial Statements

Periods Ended June 30, 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)
(unaudited)

| | Notes | June 30, 2023 \$ | December 31, 2022 \$ |
|---|-------|------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 260,097 | 2,280,254 |
| GST receivable | | 205,254 | 184,706 |
| Prepaid expenses and deposits | 3 | 752,363 | 1,077,776 |
| Total current assets | | 1,217,714 | 3,542,736 |
| Non-current assets | | | |
| Exploration and evaluation assets | 4 | 6,205,883 | 3,974,416 |
| Reclamation deposit | | 10,000 | 10,000 |
| Total non-current assets | | 6,215,883 | 3,984,416 |
| Total assets | | 7,433,597 | 7,527,152 |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 5,6 | 419,221 | 510,856 |
| Flow-through share premium liability | | 34,570 | 34,570 |
| Loan payable | 6 | 116,919 | - |
| Total current liabilities | | 570,710 | 545,426 |
| Shareholder's equity | | | |
| Share capital | 7 | 24,238,704 | 19,563,220 |
| Share-based payment reserve | 7,8 | 863,155 | 810,689 |
| Warrants reserve | 7.9 | 4,278,914 | 4,891,679 |
| Share subscriptions receivable | 7 | - | (165,000) |
| Shares issuable | 10 | 1,630,000 | 317,750 |
| Deficit | | (24,147,886) | (18,436,612) |
| Total shareholders' equity | | 6,862,887 | 6,981,726 |
| Total liabilities and shareholders' equity | | 7,433,597 | 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 August 25, 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)

| | Notes | For the three months ended | | For the six months ended | |
|--|--------|----------------------------|------------------|--------------------------|--------------------|
| | | June 30, 2023 | June 30, 2022 | June 30, 2023 | June 30, 2022 |
| | | \$ | \$ | \$ | \$ |
| Expenses | | | | | |
| Consulting fee | 6 | 132,542 | 49,700 | 299,731 | 60,200 |
| General and administrative | | 10,048 | 23,310 | 14,406 | 27,417 |
| Market awareness | | 681,959 | 644,691 | 3,024,090 | 803,508 |
| Management fees | 6 | 90,000 | 139,500 | 185,000 | 222,000 |
| Professional fees | | 79,135 | 15,597 | 103,246 | 28,702 |
| Share-based compensation | 7,8,10 | 246,500 | 81,129 | 1,999,068 | 368,510 |
| Transfer agent and filing fees | | 15,885 | 12,163 | 35,241 | 24,408 |
| Travel | | 36,168 | 13,641 | 57,965 | 13,919 |
| Loss before other expense | | (1,292,237) | (979,731) | (5,718,747) | (1,548,664) |
| Other income (expense) | | | | | |
| Flow-through share premium | | - | - | (2,105) | - |
| Foreign exchange gain (loss) | | 5,620 | (14) | 6,025 | 5,760 |
| Interest expense | | 3,553 | - | 3,553 | - |
| Total other income (expense) | | 9,173 | (14) | 7,473 | 5,760 |
| Net loss and comprehensive loss | | (1,283,064) | (979,745) | (5,711,274) | (1,542,904) |
| Basic and diluted loss per share | | (0.04) | (0.15) | (0.18) | (0.25) |
| Weighted average shares outstanding | | 33,460,353 | 6,514,645 | 31,447,185 | 6,115,319 |

(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
(Expressed in Canadian dollars)
(unaudited)

| | Share Capital | | Share-based payment reserve | Warrants reserve | Share subscription receivable | Shares issuable | Deficit | Total shareholder's equity |
|--|---------------------|-------------------|-----------------------------------|---------------------|-------------------------------------|--------------------|---------------------|----------------------------------|
| | Number of shares | Amount \$ | | | | | | |
| Balance, December 31, 2021 | 5,711,556 | 11,562,555 | 3,403,895 | 2,807,034 | (5,000) | - | (12,033,765) | 2,927,685 |
| Share issued for cash | 6,764,166 | 771,479 | 508,571 | - | (202,250) | - | - | 1,077,800 |
| Shares issued for exploration and evaluation assets | 502,840 | 603,408 | - | - | - | - | - | 603,408 |
| Fair value of stock options granted | - | - | 368,510 | - | - | - | - | 368,510 |
| Shares issued for option exercised | 240,000 | 451,216 | (141,966) | - | - | - | - | 309,250 |
| Shares issuable for restricted share units vested | 128,000 | 170,800 | (170,800) | - | - | - | - | - |
| Net loss for the period | - | - | - | - | - | - | (1,542,904) | (1,542,904) |
| Balance, June 30, 2022 | 13,346,562 | 13,559,458 | 3,968,210 | 2,807,034 | (207,250) | - | (13,576,669) | 3,743,749 |
| Balance, December 31, 2022 | 26,031,161 | 19,563,220 | 810,689 | 4,891,679 | (165,000) | 317,750 | (18,436,612) | 6,981,726 |
| Share issued for cash | - | - | - | - | 165,000 | - | - | 165,000 |
| Shares issued for exploration and evaluation assets | 1,354,463 | 1,186,455 | - | - | - | - | - | 1,186,455 |
| Fair value of stock options granted | - | - | 106,118 | - | - | - | - | 106,118 |
| Shares issued for option exercised | 125,000 | 148,652 | (53,652) | - | - | - | - | 95,000 |
| Shares issuable for restricted share units vested | 766,250 | 580,700 | - | - | - | 1,312,250 | - | 1,892,950 |
| Shares issued for warrants exercised | 5,721,600 | 2,759,677 | - | (612,765) | - | - | - | 2,146,912 |
| Net loss for the period | - | - | - | - | - | - | (5,711,274) | (5,711,274) |
| Balance, June 30, 2023 | 33,998,474 | 24,238,704 | 863,155 | 4,278,914 | - | 1,630,000 | (24,147,886) | 6,862,887 |

(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 | |
|--|-----------------------------|--------------------------|
| | June 30, 2023 | June 30, 2022 |
| | \$ | \$ |
| Operating activities | | |
| Net loss | (5,711,274) | (1,542,904) |
| Items not involving cash: | | |
| Interest expense | 669 | - |
| Share-based compensation | 1,999,068 | 368,510 |
| Changes in non-cash working capital items: | | |
| GST receivable | (20,548) | (19,312) |
| Prepaid expenses and deposits | 325,413 | (74,280) |
| Account payable and accrued liabilities | (201,054) | 152,406 |
| Net cash used in operating activities | (3,607,726) | (1,115,580) |
| Investing activities | | |
| Exploration and evaluation asset expenditures | (935,593) | (566,124) |
| Net cash used in investing activities | (935,593) | (566,124) |
| Financing activities | | |
| Subscriptions received | 165,000 | - |
| Proceeds from loans payable | 116,250 | - |
| Proceeds from issuance of common shares | - | 1,387,050 |
| Proceeds from issuance of stock options exercised | 95,000 | - |
| Proceeds from issuance of warrants exercised | 2,146,912 | - |
| Net cash provided by financing activities | 2,523,162 | 1,387,050 |
| Change in cash | (2,020,157) | (294,654) |
| Cash, beginning of period | 2,280,254 | 1,388,372 |
| Cash, end of period | 260,097 | 1,093,718 |
| Non-cash investing and financing activities: | | |
| Fair value of warrants issued | 612,765 | - |
| Shares issued pursuant to mineral property option agreements | 1,186,455 | 603,408 |
| Fair value of stock options exercised | 53,652 | 141,966 |
| Shares issued for restricted share units transferred from reserves | - | 170,800 |

(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 June 30, 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.

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 June 30, 2023, the Company has not generated any revenue and incurred negative cash flow from operations. As at June 30, 2023, the Company has a working capital of \$647,004 and an accumulated deficit of \$24,147,886. 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, 2022, 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 subsidiaries, Battmetals Resources Ltd and Recharge Resources Argentina SAU. 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 June 30, 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 June 30, 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

| | June 30, 2023 | December 31, 2022 |
|-------------------------------|------------------|----------------------|
| | \$ | \$ |
| Market awareness | 740,896 | 1,055,787 |
| Retainer payment for services | 3,220 | 21,989 |
| Other | 8,247 | - |
| | 752,363 | 1,077,776 |

4. Exploration and Evaluation Assets

| | Brussels Creek | Murray Ridge | Pinchi Lake | Georgia Lake | Pocitos 1 | Pocitos 2 | Total |
|-------------------------------|-------------------|-----------------|----------------|-----------------|------------------|----------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs: | | | | | | | |
| Balance, December 31, 2022 | 596,500 | 83,061 | 739,648 | - | 1,053,974 | - | 2,473,183 |
| Additions | - | - | - | - | 1,375,127 | 500,000 | 1,875,127 |
| Balance, June 30, 2023 | 596,500 | 83,061 | 739,648 | - | 2,429,101 | 500,000 | 4,348,310 |
| Exploration costs: | | | | | | | |
| Balance, December 31, 2022 | 547,757 | - | 53,914 | 51,378 | 848,184 | - | 1,501,233 |
| Additions | 638 | - | - | 2,442 | 324,165 | 29,095 | 356,340 |
| Balance, June 30, 2023 | 548,395 | - | 53,914 | 53,820 | 1,172,349 | 29,095 | 1,857,573 |
| Carrying amounts: | | | | | | | |
| Balance, December 31, 2022 | 1,144,257 | 83,061 | 793,562 | 51,378 | 1,902,158 | - | 3,974,416 |
| Balance, June 30, 2023 | 1,144,895 | 83,061 | 793,562 | 53,820 | 3,601,450 | 529,095 | 6,205,883 |

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
 Period Ended June 30, 2023
 (Expressed in Canadian dollars)
 (unaudited)

4. Exploration and Evaluation Assets (continued)

| | Brussels Creek | Kagoot Brook | Murray Ridge | Pinchi Lake | Georgia Lake | Pocitos 1 | Total |
|-----------------------------------|-------------------|-----------------|-----------------|----------------|-----------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Acquisition costs: | | | | | | | |
| Balance, December 31, 2021 | 446,500 | 112,500 | 83,061 | 739,648 | - | - | 1,381,709 |
| Additions | 150,000 | - | - | - | - | 1,053,974 | 1,203,974 |
| Acquisition | - | (112,500) | - | - | - | - | (112,500) |
| Balance, December 31, 2022 | 596,500 | - | 83,061 | 739,648 | - | 1,053,974 | 2,473,183 |
| Exploration costs: | | | | | | | |
| Balance, December 31, 2021 | 173,100 | - | - | 43,950 | - | - | 217,050 |
| Additions | 374,657 | 16,594 | - | 9,964 | 51,378 | 848,184 | 1,300,777 |
| Impairment | - | (16,594) | - | - | - | - | (16,594) |
| Balance, December 31, 2022 | 547,757 | - | - | 53,914 | 51,378 | 848,184 | 1,501,233 |
| Carrying amounts: | | | | | | | |
| Balance, December 31, 2021 | 619,600 | 112,500 | 83,061 | 783,598 | - | - | 1,598,759 |
| Balance, December 31, 2022 | 1,144,257 | - | 83,061 | 793,562 | 51,378 | 1,902,158 | 3,974,416 |

Brussels Creek Property

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

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

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

Kagoot Brook Property

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

On September 9, 2022, the Company terminated the option agreement with Kagoot Brook with an objective of focusing time and capital on the Company's more advanced assets. As a result, the Company recorded an impairment loss of \$129,094.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended June 30, 2023
(Expressed in Canadian dollars)
(unaudited)

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.

Subsequent to June 30, 2023, the Company and Spey terminated the agreement (Note 14).

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.

Subsequent to June 30, 2023, the Company and Spey terminated the agreement (Note 14).

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended June 30, 2023
(Expressed in Canadian dollars)
(unaudited)

5. Accounts payable and accrued liabilities

| | June 30, 2023 \$ | December 31, 2022 \$ |
|---|------------------------|----------------------------|
| Accounts payable | 328,623 | 449,285 |
| Amounts due to related parties (Note 6) | 8,608 | 53,436 |
| Accrued liabilities | 81,990 | 8,135 |
| Total accounts payable and accrued liabilities | 419,221 | 510,856 |

6. Related Party Transactions

Balances

As at June 30, 2023, \$8,608 (December 31, 2022 - \$53,436) is due to related parties and is included in trade payables and accrued liabilities (Note 5). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Loan payable

On June 19, 2023 the company received from a related party a loan in the amount of \$116,250. The loan is unsecured, bears interest of 15% per annum and is due on September 16, 2023. During the period ended June 30, 2023, the Company has recorded interest of \$669 (June 30, 2022 – \$Nil). The balance on the loan at June 30, 2023 is \$116,919 (December 31, 2022 - \$Nil).

Transactions

The Company has identified the CEO and President, CFO, Corporate secretary, and the Company's directors as its key management personnel. During the period ended June 30, 2023 and 2022 the following amounts were incurred with directors and officers of the Company:

| | Six months ended June 30, | |
|--|---------------------------|----------------|
| | 2023 \$ | 2022 \$ |
| Director fees | - | 6,000 |
| Management fees to CEO | 120,000 | 40,000 |
| Management fees to former CEO | - | 100,000 |
| Management fees to CFO | 60,000 | 53,500 |
| Management fees to corporate secretary | 5,000 | 28,500 |
| Share-based compensation - RSU | 170,000 | 15,400 |
| Share-based compensation - stock options | - | 15,813 |
| Total | 355,000 | 259,213 |

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended June 30, 2023
(Expressed in Canadian dollars)
(unaudited)

7. Share Capital

Effective August 18, 2023, the Company consolidated all its issued and outstanding common shares on the basis of 1 new share for every 2 old shares (the "Consolidation") (Note 14). All references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been retrospectively restated for the Consolidation, including all such numbers presented for the prior periods.

Authorized: Unlimited common shares without par value.

Issued share capital

At June 30, 2023, there were 33,998,474 (December 31, 2022 – 26,031,161) issued and fully paid common shares.

Share transactions for the period ended June 30, 2023:

- (a) During the period ended June 30, 2023, the Company issued 766,250 common shares pursuant to the settlement of restricted share units with fair market value of \$580,700.
- (b) During the period ended June 30, 2023, the Company issued 5,721,600 common shares for proceeds of \$2,146,912 pursuant to the exercise of share purchase warrants.
- (c) On March 20, 2023, the Company issued 891,500 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 125,000 common shares for proceeds of \$95,000 pursuant to the exercise of stock options.
- (e) On March 3, 2023, the Company issued 462,963 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 125,000 stock options exercisable at \$1.20 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 | 361,655 | 0.73 |
| Granted | 125,000 | 1.20 |
| Exercised | (125,000) | 0.76 |
| Balance, June 30, 2023 | 361,655 | 0.88 |

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended June 30, 2023
(Expressed in Canadian dollars)
(unaudited)

8. Stock Options (continued)

Additional information regarding stock options outstanding as at June 30, 2023 is as follows:

| Number of Options Outstanding | Number of Options Exercisable | Exercise Price (\$) | Expiry Date |
|-------------------------------|-------------------------------|---------------------|-------------------|
| 67,500 | 67,500 | 0.75 | November 16, 2023 |
| 1,655 | 1,655 | 0.71 | December 8, 2023 |
| 167,500 | 167,500 | 0.70 | December 28, 2023 |
| 125,000 | 125,000 | 1.20 | February 7, 2025 |
| 361,655 | 361,655 | | |

Outstanding and exercisable

| Exercise price \$ | Number of options | Weighted average remaining contractual life (years) | Weighted average exercise price \$ |
|-------------------|-------------------|---|------------------------------------|
| 0.70 to 1.20 | 361,655 | 0.86 | 0.88 |

During the period ended June 30, 2023, the Company recorded share-based compensation of \$106,118 (period ended June 30, 2022 - \$197,710) for stock options. Of this amount, \$Nil was related to officers and directors of the Company (period ended June 30, 2022 - \$15,813). The weighted average grant date fair value of stock options granted during the period ended June 30, 2023 was \$1.20 (June 30, 2022 - \$1.34) 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:

| | June 30, 2023 | June 30, 2022 |
|-------------------------|---------------|---------------|
| Risk-free interest rate | 4.76% | 2.15% |
| Expected life | 1 year | 1 year |
| Estimated volatility | 264.47% | 152.93% |
| Dividend rate | N/A | N/A |

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
 Period Ended June 30, 2023
 (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 | 11,334,098 | 0.54 |
| Exercised | (5,721,599) | 0.38 |
| Balance, June 30, 2023 | 5,612,499 | 0.70 |

As at June 30, 2023, the following share purchase warrants were outstanding:

| Number of warrants outstanding | Exercise price \$ | Date of expiry |
|-----------------------------------|----------------------|-------------------|
| 5,612,499 | 0.70 | December 29, 2024 |

10. Restricted Share Units

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

| | Number of RSUs | Weighted average price \$ |
|-----------------------------------|-------------------|------------------------------------|
| Balance, December 31, 2022 | 436,250 | 1.09 |
| Issued | 1,967,500 | 1.00 |
| Settled | (766,250) | 0.76 |
| Balance, June 30, 2023 | 1,637,500 | 1.00 |

| Number of RSUs Outstanding | Number of RSUs vested | Stock price @ grant | Expiry Date |
|-------------------------------|--------------------------|------------------------|------------------|
| 1,175,000 | 1,175,000 | 1.10 | March 9, 2024 |
| 100,000 | 100,000 | 0.91 | February 7, 2025 |
| 362,500 | 362,500 | 0.68 | June 19, 2024 |
| 1,637,500 | 1,637,500 | 1.00 | |

During the period ended June 30, 2023, the Company issued 1,967,500 RSUs with a fair value of \$1,892,950 (period ended June 30, 2022 - \$170,800). Of this amount, \$170,000 was related to officers and directors of the Company (period ended June 30, 2022 - \$15,400). The Company will issue one common share for each RSU upon vesting. As at June 30, 2023, the Company had 1,637,500 shares issuable for 1,637,500 RSUs vested with a fair value of \$1,630,000.

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, loan 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 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 and Argentina pesos. 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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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 June 30, 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 June 30, 2023.

| | June 30, 2023 | | December 31, 2022 | |
|--|---------------|-------------|-------------------|--------------|
| | ARS | USD | ARS | USD |
| Cash | \$ 4,543 | \$ 60,569 | \$ - | \$ 46,509 |
| Accounts payable and accrued liabilities | (70,637) | (137,499) | - | (274,373) |
| Total | \$ (66,094) | \$ (76,930) | \$ - | \$ (227,864) |

As at June 30, 2023, a 10% change in exchange rates between US dollars, Argentina peso ("ARS"), and Canadian dollar would impact the Company's net income (loss) by \$1,430 (December 31, 2022 – \$2,279).

(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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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 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 June 30, 2023 | Canada | Argentina | Total |
|-----------------------------------|-----------|-----------|-----------|
| | \$ | \$ | \$ |
| Exploration and evaluation assets | 2,075,338 | 4,130,545 | 6,205,883 |
| Reclamation deposit | 10,000 | - | 10,000 |
| As at June 30, 2023 | 2,085,338 | 4,130,545 | 6,215,883 |

| 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

- 1) Subsequent to June 30, 2023, the Company issued 925,000 common shares pursuant to the settlement of restricted share units.
- 2) On August 10, 2023, the Company and Spey entered in to a full and final mutual release and terminated their Agreement on the Pocitos 1 and Pocitos 2 projects, Spey has returned the USD\$850,000 to the Company and has returned the 1,125,000 common shares. (Note 4).
- 3) On August 18, 2023 the Company consolidated its shares on a 2:1 basis resulting 34,923,474 issued and fully paid common shares post-consolidation. All share amounts have been retroactively restated for all periods presented (Note 7).

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

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14. Subsequent Event (continued)

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

Terms of the Transaction

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

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

- i. The sum of US\$850,000 that will be paid on the agreement signing date. Due within 5 days after signing of the agreement.
- ii. The sum of US\$350,000 (three hundred and fifty thousand United States dollars) to be placed in trust within the 30 days of the Agreement signing date that will be payable at the time of issuance of the Certificate of Title to Pocitos 1 Project; and
- iii. Recharge has agreed to pay for taxes payable as part of the transaction due in April 2024.
- iv. There are no royalties associated with Pocitos 1 Project.