



RECHARGE RESOURCES LTD.

Condensed Interim Consolidated Financial Statements

Periods Ended September 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)

		September 30, 2023	December 31, 2022
	Notes	\$	\$
Assets			
Current assets			
Cash		566,810	2,280,254
GST receivable		251,937	184,706
Prepaid expenses and deposits	3	634,107	1,077,776
Total current assets		1,452,854	3,542,736
Non-current assets			
Exploration and evaluation assets	4	5,766,177	3,974,416
Reclamation deposit		10,000	10,000
Total non-current assets		5,776,177	3,984,416
Total assets		7,229,031	7,527,152
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	5,6	282,779	510,856
Flow-through share premium liability		34,570	34,570
Total current liabilities		317,349	545,426
Shareholder's equity			
Share capital	7	26,149,082	19,563,220
Share-based payment reserve	7,8	863,155	810,689
Warrants reserve	7,9	5,287,341	4,891,679
Share subscriptions receivable	7	-	(165,000)
Shares issuable	10	570,000	317,750
Deficit		(25,957,896)	(18,436,612)
Total shareholders' equity		6,911,682	6,981,726
Total liabilities and shareholders' equity		7,229,031	7,527,152

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

Approved and authorized for issuance by the Board of Directors on November 29, 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 nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		\$	\$	\$	\$
Expenses					
Consulting fee	6	734,665	14,500	1,034,396	74,700
General and administrative		17,306	2,832	31,712	30,249
Market awareness		788,954	97,799	3,813,044	901,307
Management fees	6	290,000	327,500	475,000	549,500
Professional fees		47,895	2,736	151,141	31,438
Share-based compensation	7,8,10	-	1,541,300	1,999,068	1,909,810
Transfer agent and filing fees		9,758	30,052	44,999	54,460
Travel		19,742	1,497	77,707	15,416
Loss before other expense		(1,908,320)	(2,018,216)	(7,627,067)	(3,566,880)
Other income (expense)					
Foreign exchange gain (loss)		(32,187)	(2,868)	(26,162)	2,892
Interest expense		(8,879)	-	(5,326)	-
Flow-through share premium		-	-	(2,105)	-
Gain on settlement of debt		168,471	-	168,471	-
Impairment of exploration and evaluation assets		(29,095)	(129,095)	(29,095)	(129,095)
Total other income (expense)		98,310	(131,963)	105,783	(126,203)
Net loss and comprehensive loss		(1,810,010)	(2,150,179)	(7,521,284)	(3,693,083)
Basic and diluted loss per share		(0.05)	(0.15)	(0.22)	(0.40)
Weighted average shares outstanding		37,341,709	14,429,879	33,433,620	9,222,327

(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	596,861	2,807,034	(5,000)	-	(12,033,765)	2,927,685
Share issued for cash	6,764,166	771,479	-	508,571	5,000	-	-	1,285,050
Shares issued for exploration and evaluation assets	627,840	678,408	-	-	-	-	-	678,408
Shares issued for options exercised	240,000	451,216	(141,966)	-	-	-	-	309,250
Shares issued for restricted share units	2,562,656	1,510,350	(1,510,350)	-	-	-	-	-
Restricted share units issued	-	-	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	15,906,218	14,974,008	2,566,455	3,315,605	-	-	(15,726,848)	3,417,120
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	11,854,800	1,991,656	-	1,008,427	-	-	-	3,000,083
Share subscriptions received	-	-	-	-	165,000	-	-	165,000
Shares returned to treasury	(1,250,000)	(1,204,612)	-	-	-	-	-	(1,204,612)
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 issued for restricted share units	1,753,750	1,640,700	(1,640,700)	-	-	-	-	-
Restricted share units issued	-	-	1,892,950	-	-	-	-	1,892,950
Shares issuable for restricted share units vested	-	-	(252,250)	-	-	252,250	-	-
Shares issued for warrants exercised	5,721,600	2,759,678	-	(612,765)	-	-	-	2,146,913
Shares issued for debt settlement	166,667	63,333	-	-	-	-	-	63,333
Net loss for the period	-	-	-	-	-	-	(7,521,284)	(7,521,284)
Balance, September 30, 2023	45,757,441	26,149,082	863,155	5,287,341	-	570,000	(25,957,896)	6,911,682

(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 September 30, 2023	For the period ended September 30, 2022
	\$	\$
Operating activities		
Net loss	(7,521,284)	(3,693,083)
Items not involving cash:		
Impairment of exploration and evaluation assets	29,095	129,095
Gain on settlement of debt	(168,471)	-
Interest expense	13,076	-
Share-based compensation	1,999,068	1,909,810
Changes in non-cash working capital items:		
GST receivable	(67,231)	(39,327)
Prepaid expenses and deposits	443,669	(67,055)
Account payable and accrued liabilities	(35,250)	104,584
Net cash used in operating activities	(5,307,328)	(1,655,976)
Investing activities		
Exploration and evaluation asset expenditures	(1,800,036)	(788,109)
Reclamation deposit	-	(10,000)
Net cash used in investing activities	(1,800,036)	(798,109)
Financing activities		
Subscriptions received	165,000	-
Loans received	586,250	-
Proceeds from issuance of common shares	2,400,757	1,594,300
Proceeds from stock options exercises	95,000	-
Proceeds from warrants exercises	2,146,913	-
Net cash provided by financing activities	5,393,920	1,594,300
Change in cash	(1,713,444)	(859,785)
Cash, beginning of period	2,280,254	1,388,372
Cash, end of period	566,810	528,587
Non-cash investing and financing activities:		
Fair value of warrants exercised	612,765	508,571
Fair value of stock options exercised	53,652	141,966
Shares issued pursuant to exploration and evaluation assets option agreements, net of shares returned	18,157	678,408
Shares issued for restricted share units transferred from reserves	1,640,700	1,510,350
Allocation private placement proceeds to warrants	1,008,427	-
Exploration and evaluation assets in accounts payable	38,977	-
Transfer from loan payable to share subscriptions	599,326	-
Shares issued for debt settlement	63,333	-
Supplemental disclosures:		
Interest received	7,750	-
Interest paid	13,706	-

(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 September 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 September 30, 2023, the Company has not generated any revenue and incurred negative cash flow from operations. As at September 30, 2023, the Company has a working capital of \$1,135,505 and an accumulated deficit of \$25,957,896. 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 September 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 September 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

	September 30, 2023	December 31, 2022
	\$	\$
Market awareness	487,395	1,055,787
Retainer payment for services	125,000	21,989
Other	21,712	-
	634,107	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	-	-	-	-	1,157,762	-	1,157,762
Balance, September 30, 2023	596,500	83,061	739,648	-	2,211,736	-	3,630,945
Exploration costs:							
Balance, December 31, 2022	547,757	-	53,914	51,378	848,184	-	1,501,233
Additions	638	-	-	11,729	621,632	29,095	663,094
Impairment	-	-	-	-	-	(29,095)	- 29,095
Balance, September 30, 2023	548,395	-	53,914	63,107	1,469,816	-	2,135,232
Carrying amounts:							
Balance, September 30, 2023	1,144,895	83,061	793,562	63,107	3,681,552	-	5,766,177

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
 Period Ended September 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 \$129,095.

RECHARGE RESOURCES LTD.

Notes to the Condensed Interim Consolidated Financial Statements
Period Ended September 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.

On August 10, 2023, the Company and Spey have entered in to a full and final mutual release and terminated their mineral property option agreement on the Pocitos 1 and 2 projects, Spey has returned the USD\$850,000 to the Company and has returned the 1,250,000 common shares (Note 7).

Pocitos 1 Property

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.

RECHARGE RESOURCES LTD.

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

4. Exploration and Evaluation Assets (continued)

Pocitos 1 Property (continued)

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 (paid).
- 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 (paid); 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.

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.

On August 10, 2023, the Company and Spey have entered in to a full and final mutual release and terminated their mineral property option agreement on the Pocitos 1 and 2 projects, Spey has returned the USD\$850,000 to the Company and has returned the 1,250,000 common shares. As a result, the Company recorded an impairment loss of \$29,095.

5. Accounts payable and accrued liabilities

	September 30, 2023	December 31, 2022
	\$	\$
Accounts payable	163,118	449,285
Amounts due to related parties (Note 6)	116,959	53,436
Accrued liabilities	2,702	8,135
Total accounts payable and accrued liabilities	282,779	510,856

RECHARGE RESOURCES LTD.

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

6. Related Party Transactions

Balances

As at September 30, 2023, \$116,959 (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.

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 September 30, 2023 and 2022 the following amounts were incurred with directors and officers of the Company:

	Nine months ended September 30,	
	2023	2022
	\$	\$
Director fees	-	10,000
Management fees to CEO	330,000	200,000
Management fees to former CEO	-	220,000
Management fees to CFO	140,000	93,500
Management fees to corporate secretary	5,000	36,000
Share-based compensation - RSU	170,000	195,400
Share-based compensation - stock options	-	15,813
Total	645,000	770,713

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"). 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 September 30, 2023, there were 45,757,441 (December 31, 2022 – 26,031,161) issued and fully paid common shares.

Share transactions for the period ended September 30, 2023:

- On September 28, 2023, the Company issued 166,667 common shares with a fair value of \$63,333 pursuant to the settlement of debt. As a result, the Company recorded a gain of \$168,471 on debt settlement in the statement of operations and comprehensive loss.
- On September 19, 2023, the Company closed its non-brokered private placement by issuing 3,510,000 Non-Flow-Through units ("NFT") at a price of \$0.25 per unit. Each NFT unit consists of one common share of the Company and one share purchase warrant. Each NFT warrant is exercisable for one common share of the Company for a price of \$0.33 for a period of twelve months following the closing of the private placement.

RECHARGE RESOURCES LTD.

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

7. Share Capital (continued)

Issued share capital (continued)

- (c) On September 19, 2023, the Company closed its non-brokered private placement by issuing 454,800 Flow-Through units ("FT") at a price of \$0.33 per unit. Each FT unit consists of one common share of the Company and one share purchase warrant. Each FT warrant is exercisable for one common share of the Company for a price of \$0.35 for a period of twelve months following the closing of the private placement.
- (d) On September 1, 2023, the Company closed its non-brokered private placement by issuing 7,890,000 units at a price of \$0.33 per unit. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant is exercisable for one common share of the Company for a price of \$0.35 for a period of twelve months following the closing of the private placement.
- (e) During the period ended September 30, 2023, the Company issued 11,854,800 common shares for proceeds of \$3,000,084 pursuant to closing of private placement.
- (f) On August 22, 2023, 1,200,000 common shares were returned to treasury by Spey as part of the termination of Pocitos 1 & 2 agreements (Note 4).
- (g) 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).
- (h) On March 8, 2023, the Company issued 125,000 common shares for proceeds of \$95,000 pursuant to the exercise of stock options.
- (i) 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).
- (j) On January 4, 2023, the Company received the share subscriptions receivable of \$165,000.
- (k) During the period ended September 30, 2023, the Company issued 1,753,750 common shares pursuant to the settlement of restricted share units with fair market value of \$1,640,700.
- (l) During the period ended September 30, 2023, the Company issued 5,721,600 common shares for proceeds of \$2,146,912 pursuant to the exercise of share purchase warrants.

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, September 30, 2023	361,655	0.88

RECHARGE RESOURCES LTD.

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

8. Stock Options (continued)

Additional information regarding stock options outstanding as at September 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	0.61	0.88

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

	September 30, 2023	September 30, 2022
Risk-free interest rate	4.76%	0.85%
Expected life	1 year	1 year
Estimated volatility	264.47%	126.83%
Dividend rate	N/A	N/A

RECHARGE RESOURCES LTD.

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

9. Share Purchase Warrants

- (a) In connection with the September 19, 2023 private placement, the Company issued 3,510,000 NFT warrants exercisable for one common share of the Company for a price of \$0.33 for a period of twelve months following the closing of the private placement. The Company used relative fair value method and allocated \$302,264 value to the warrants.
- (b) In connection with the September 19, 2023 private placement, the Company issued 454,800 FT warrants exercisable for one common share of the Company for a price of \$0.35 for a period of twelve months following the closing of the private placement. The Company used relative fair value method and allocated \$39,165 value to the warrants.
- (c) In connection with the September 1, 2023 private placement, the Company issued 37,890,000 warrants exercisable for one common share of the Company for a price of \$0.33 for a period of twelve months following the closing of the private placement. The Company used relative fair value method and allocated \$666,998 value to the 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
Granted	11,854,800	0.33
Exercised	(5,721,599)	0.38
Balance, September 30, 2023	17,467,299	0.70

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

Number of warrants outstanding	Exercise price \$	Date of expiry
7,890,000	0.33	September 1, 2024
454,800	0.35	September 19, 2024
3,510,000	0.33	September 19, 2024
5,612,499	0.70	December 29, 2024
17,467,299		

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	(1,753,750)	0.76
Balance, September 30, 2023	650,000	0.88

RECHARGE RESOURCES LTD.

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

10. Restricted Share Units (continued)

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

Number of RSUs Outstanding	Number of RSUs vested	Stock price @ grant	Expiry Date
250,000	250,000	1.10	March 9, 2024
300,000	300,000	0.68	June 24, 2024
100,000	100,000	0.91	February 7, 2025
650,000	650,000	0.88	

During the period ended September 30, 2023, the Company issued 1,753,750 RSUs with a fair value of \$1,892,950 (period ended September 30, 2022 - \$1,510,350). Of this amount, \$170,000 was related to officers and directors of the Company (period ended September 30, 2022 - \$195,400). The Company will issue one common share for each RSU upon vesting. As at September 30, 2023, the Company had 650,000 shares issuable for 650,000 RSUs vested with a fair value of \$570,000.

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.

RECHARGE RESOURCES LTD.

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

11. Financial Instruments and Risk Management (continued)

(d) Foreign Exchange Rate Risk (continued)

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.

The following table indicates the impact of foreign currency exchange risk on net working capital as at September 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 September 30, 2023.

	September 30, 2023			December 31, 2022		
	AUD	ARS\$	US\$	AUD	ARS\$	US\$
Cash	-	10,279	26,443	-	-	46,509
Accounts payable and accrued liabilities	(5,179)	(72,960)	(31,044)	-	-	(274,373)
Total foreign currency financial assets and liabilities	(5,179)	(62,681)	(4,601)	-	-	(227,864)

As at September 30, 2023, a 10% change in exchange rates between US dollars ("US\$"), Australia dollars (AUD), and Argentina peso ("ARS"), and Canadian dollar would impact the Company's net income (loss) by \$7,246 (December 31, 2022 – \$22,786).

(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.

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 interest 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.

RECHARGE RESOURCES LTD.

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

13. Segmented Information

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

As at September 30, 2023	Canada	Argentina	Total
	\$	\$	\$
Exploration and evaluation assets	2,084,625	3,681,552	5,766,177
Reclamation deposit	10,000	-	10,000
As at September 30, 2023	2,094,625	3,681,552	5,776,177

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 Events

- 1) Subsequent to September 30, 2023, the Company issued 400,000 common shares pursuant to the settlement of restricted share units.
- 2) Subsequent to September 30, 2023, the Company granted 1,600,000 stock options exercisable at \$0.39 per common share to consultants with an expiration date of October 12, 2024.
- 3) Subsequent to September 30, 2023, the Company issued 1,000,000 common shares for proceeds of \$385,000 pursuant to the exercise of stock options.
- 4) On November 16, 2023, 67,500 stock options with an exercise price of \$0.75 expired unexercised.
- 5) On November 20, 2023, the Company granted 3,300,000 RSUs to directors, officers and consultants of the Company.