

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Recharge Resources Ltd. (the “Issuer”).

Trading Symbol: RR

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

The Issuer’s unaudited interim consolidated financial statements for the period ended June 30, 2022 are attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below can be found in the Issuer’s financial statements attached as Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Issuer's Management Discussion & Analysis for the period ended June 30, 2022 is attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 30, 2022

David Greenway
Name of Director or Senior Officer

/s/ "David Greenway"
Signature

CEO
Official Capacity

Issuer Details		For Quarter Ended	Date of Report
Name of Issuer		2022/06/30	YY/MM/D 22/08/30
Recharge Resources Ltd.			
Issuer Address			
600-535 Howe Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, V6Z 2Z4		()	(778) 588-5473
Contact Name		Contact Position	Contact Telephone No.
Kelly Pladson		Corporate Secretary	(604) 726-6749
Contact Email Address		Web Site Address	
Kelly@niacorporateservices.com		https://recharge-resources.com	

SCHEDULE "A"

UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED JUNE 30, 2022



RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Financial Statements

Periods Ended June 30, 2022 and 2021

(Expressed in Canadian dollars)

NOTICE OF NON AUDITOR'S REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements for Recharge Resources Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, Saturna Group Chartered Professional Accountants LLP, has not performed an audit of these condensed interim consolidated financial statements.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(unaudited)

	June 30, 2022 \$	December 31, 2021 \$
Assets		
Current assets		
Cash	1,093,718	1,388,372
GST receivable	93,044	73,732
Prepaid expenses	79,279	5,000
Total current assets	1,266,041	1,467,104
Non-current assets		
Exploration and evaluation assets (Note 4)	2,758,291	1,598,759
Reclamation deposit	10,000	–
Total non-current assets	2,768,291	1,598,759
Total assets	4,034,332	3,065,863
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	193,259	40,854
Flow-through share premium liability (Note 6)	97,324	97,324
Total current liabilities	290,583	138,178
Shareholders' equity (deficit)		
Share capital (Note 6)	13,559,458	11,562,555
Share-based payment reserve (Note 7 and 9)	652,605	596,861
Share subscriptions receivable (Note 6)	(207,250)	(5,000)
Warrants reserve (Note 8)	3,315,605	2,807,034
Deficit	(13,576,669)	(12,033,765)
Total shareholders' equity (deficit)	3,743,749	2,927,685
Total liabilities and shareholders' equity (deficit)	4,034,332	3,065,863

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

Approved and authorized for issuance by the Board of Directors on August 29, 2022:

/s/ "David Greenway"

David Greenway, Director

/s/ "Andrew Mugridge"

Andrew Mugridge, Director

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

(unaudited)

	For the six months ended		For the three months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Expenses				
Consulting fees	49,700	8,000	60,200	68,375
General and administrative	23,309	20,891	27,417	26,380
Investor relations	644,692	411,186	803,508	661,186
Management fees (Note 5)	139,500	22,500	222,000	45,000
Professional fees	15,597	7,413	28,702	12,082
Share-based compensation (Note 7)	81,129	8,541	368,510	8,541
Transfer agent and filing fees	12,163	29,481	24,408	38,275
Travel	13,641	579	13,919	968
Total expenses	979,731	48,736	1,548,664	860,807
Loss before other income (expense)	(979,731)	(48,736)	(1,548,664)	(806,807)
Other income (expense)				
Foreign exchange gain (loss)	(14)	–	5,760	–
Gain on settlement of debt	–	4,970	–	4,970
Total other income (expense)	(14)	4,970	5,760	4,970
Net loss and comprehensive loss	(979,745)	(503,622)	(1,542,904)	(855,837)
Basic and diluted loss per share	(0.08)	(0.06)	(0.13)	(0.15)
Weighted average shares outstanding	13,029,291	8,478,785	12,230,638	5,736,806

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

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

(Expressed in Canadian dollars)

(unaudited)

	Share capital		Reserves \$	Share subscriptions received/ (receivable) \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number	Amount \$				
Balance, December 31, 2020	2,964,362	7,583,205	2,279,652	–	(10,241,766)	(378,909)
Shares issued for private placement	6,988,750	2,406,204	1,088,171	(615,000)	–	2,879,375
Fair value of finder's warrants	–	(57,000)	57,000	–	–	–
Shares issued for mineral properties	180,000	189,000	–	–	–	189,000
Fair value of stock options granted	–	–	8,541	–	–	8,541
Net loss for the period	–	–	–	–	(855,837)	(855,837)
Balance, June 30, 2021	10,133,112	10,121,409	3,433,364	(615,000)	(11,097,603)	1,842,170
Balance, December 31, 2021	11,423,112	11,562,555	3,403,895	(5,000)	(12,033,765)	2,927,685
Shares issued for private placement	13,528,332	771,479	508,571	(202,250)	–	1,077,800
Shares issued for mineral properties	1,005,680	603,408	–	–	–	603,408
Shares issued for options exercised	480,000	451,216	(141,966)	–	–	309,250
Shares issued for restricted share units vested	256,000	170,800	(170,800)	–	–	–
Fair value of stock options granted	–	–	368,510	–	–	368,510
Net loss for the period	–	–	–	–	(1,542,904)	(1,542,904)
Balance, June 30, 2022	26,693,124	13,559,458	3,968,210	(207,250)	(13,576,669)	3,743,749

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(unaudited)

	For the periods ended	
	June 30, 2022	June 30, 2021
	\$	\$
Operating activities		
Net loss	(1,542,904)	(855,837)
Items not involving cash:		
Share-based compensation	368,510	8,541
Changes in non-cash working capital items:		
GST receivable	(19,312)	(38,638)
Prepaid expenses	(74,280)	(2,500)
Accounts payable and accrued liabilities	152,406	(189,704)
Net cash used in operating activities	(1,115,580)	(1,078,138)
Investing activities		
Exploration and evaluation asset expenditures	(566,124)	(452,500)
Net cash used in investing activities	(566,124)	(452,500)
Financing activities		
Repayment of loans payable	–	(229,369)
Proceeds from issuance of common shares	1,387,050	3,125,375
Share issuance costs	–	(57,000)
Net cash provided by financing activities	1,387,050	2,839,006
Change in cash	(294,654)	1,308,368
Cash, beginning of period	1,388,372	582
Cash, end of period	1,093,718	1,308,950
Non-cash investing and financing activities:		
Shares issued pursuant to mineral property option agreements	603,408	–
Fair value of stock options transferred from reserves to share capital upon exercise	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.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period Ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

1. Nature and Continuance of Operations

Recharge Resources Ltd. (formerly Le Mare Gold Corp.) (the “Company”) was incorporated in the province of British Columbia on March 9, 2010 as Signal Exploration Inc. The Company changed its name to Southern Lithium Corp. in October 2016, to Le Mare Gold Corp. in February 2018 and to Recharge Resources Ltd. in July 2021. The Company is a resource exploration company that is in the business of acquiring and exploring mineral properties. The Company’s registered address is Suite 600, 535 Howe Street, Vancouver, BC, V6Z 2Z4.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. For the period ended June 30, 2022, the Company has not generated any revenue and incurred negative cash flow from operations. As at June 30, 2022, the Company has a working capital of \$975,459 and an accumulated deficit of \$13,576,669. 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 consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements of the Company should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of Presentation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Battmetals Resources Ltd.. All significant inter-company balances and transactions have been eliminated on consolidation. These condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

(c) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2022, and have not been early adopted in preparing these condensed interim consolidated financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

3. Acquisition of Battmetals Resources Corp.

On July 28, 2021, the Company completed a share purchase agreement with Battmetals Resources Corp. ("Battmetals") and the shareholders of Battmetals (collectively, the "Vendors"), pursuant to which the Company acquired 100% of the issued and outstanding shares of Battmetals from the Vendors for consideration of 570,000 common shares of the Company.

The acquisition of the Battmetals shares has been accounted for as an asset acquisition as, at the time of the transaction, Battmetals did not meet the definition of a business. The consideration paid has been allocated to the exploration and evaluations assets as at the date of acquisition. The purchase price of the acquisition has been allocated as follows:

Purchase price	\$
Fair value of common shares issued to the Vendors	969,000
Net assets acquired	\$
Cash	135,791
Prepaid expenses	10,500
Exploration and evaluation assets	822,709
	969,000

4. Exploration and Evaluation Assets

	Brussels Creek \$	Kagoot Brook \$	Murray Ridge \$	Pinchi Lake \$	Pocitos 1 \$	Total \$
Acquisition costs:						
Balance, December 31, 2021	446,500	112,500	83,061	739,648	–	1,381,709
Additions	75,000	–	–	–	1,053,974	1,128,974
Balance, June 30, 2022	521,500	112,500	83,061	739,648	1,053,974	2,510,683
Exploration costs:						
Balance, December 31, 2021	173,100	–	–	43,950	–	217,050
Additions	4,000	16,594	–	9,964	–	30,558
Balance, June 30, 2022	177,100	16,594	–	53,914	–	247,608
Carrying amounts:						
Balance, December 31, 2021	619,600	112,500	83,061	783,598	–	1,598,759
Balance, June 30, 2022	698,600	129,094	83,061	793,562	1,053,974	2,758,291

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

4. Exploration and Evaluation Assets (continued)

Brussels Creek Property

On February 3, 2021, the Company entered into a mineral option assignment agreement whereby the Company has been assigned the right to acquire up to a 100% interest in the Brussels Creek property located in the Kamloops Mining District, British Columbia. The assignor assigned all of its right, title, and interest in and to the option agreement dated February 25, 2020, that it is a party to for \$157,500 (paid) and 80,000 common shares of the Company (issued). The Company agreed to assume the obligations of the assignor under the option agreement subject to the optionor agreeing to accept 200,000 common shares of the Company in substitution for shares of the assignor otherwise due to be issued to the optionor under the option agreement.

On March 18, 2022, the Company entered into a mineral property acquisition agreement, replacing the option assignment agreement, whereby the Company shall acquire 100% right, title and interest in the property in consideration of Recharge paying the sum of \$75,000 (paid) and issuing 250,000 common shares of the Company (issued).

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

Kagoot Brook Property

On June 24, 2021, the Company entered into a mineral option assignment agreement whereby the Company has been assigned the right to acquire a 75% interest in the Kagoot Brook property located in the Bathurst Mining Camp, New Brunswick. The assignor assigned all of its right, title, and interest in and to the option agreement dated May 11, 2020, that it is a party to for 1,000,000 common shares of the Company (issued). The Company agreed to assume the obligations of the assignor as follows: the \$650,000 exploration commitment to be completed by May 10, 2023, and pay a \$50,000 royalty to underlying royalty holders by January 23, 2022. The Company issued 50,000 common shares to the original optionor which extended the date.

The interest earned is subject to a 2% NSR payable to the optionor.

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

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:

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

4. Exploration and Evaluation Assets (continued)

(i) Cash payments to be made:

- US\$350,000 upon execution of the agreement (paid); and
- US\$500,000 on or before March 21, 2023

(ii) Shares to be issued:

- US\$400,000 upon execution of the agreement (issued); and
- US\$500,000 on or before March 21, 2023

(iii) Exploration expenditures to be incurred:

- US\$250,000 on or before March 21, 2023

The Company may earn an additional 20% undivided interest in the project, for a total of 100% interest, by paying Spey an additional US\$6,000,000 on or before the fifth anniversary of the option agreement.

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

5. Related Party Transactions

- (a) As at June 30, 2022, the amount of \$14,746 (December 31, 2021 – \$11,560) is due from the former CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$100,000 (2021 - \$nil) to the former CEO of the Company.
- (b) As at June 30, 2022, the amount of \$27,094 (December 31, 2021 – \$nil) is owed to a company controlled by the CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$40,000 (2021 - \$nil) to a company controlled by the CEO of the Company.
- (c) As at June 30, 2022, the amount of \$10,500 (December 31, 2021 - \$5,250) is owed to a company controlled by the Chief Financial Officer (“CFO”) of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$53,500 (2021 - \$30,000) to a company controlled by the CFO of the Company.
- (d) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,957) is owed to the CFO of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (e) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,625) is owed to a company controlled by the Corporate Secretary of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$28,500 (2021 - \$15,000) to a company controlled by the Corporate Secretary of the Company.
- (f) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,100) is owed to a company controlled by a director of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred consulting fees of \$25,500 (2021 - \$7,875) to a company controlled by a director of the Company.
- (g) During the period ended June 30, 2022, the Company incurred consulting fees of \$6,000 (2021 - \$nil) to a company controlled by a director of the Company.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

6. Share Capital

Authorized: Unlimited common shares without par value.

On May 26, the Company consolidated its outstanding common shares on a 10:1 basis. All share amounts have been retroactively restated.

Share transactions for the period ended June 30, 2022:

- (a) On March 24, 2022, the Company issued 1,005,680 common shares with a fair value of \$603,408 pursuant to the terms of the option agreement for the Pocitos 1 Project.
- (b) On March 29, 2022, the Company issued 200,000 common shares pursuant to the settlement of restricted share units. The fair value of \$140,000 for the restricted share units vested was reallocated from reserves to share capital.
- (c) On June 21, 2022, the Company issued 11,445,000 units at a price of \$0.09 per unit for proceeds of \$1,030,050. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.15 per share expiring on June 1, 2023.
- (d) On June 21, 2022, the Company issued 2,083,333 flow-through units at a price of \$0.12 per unit for proceeds of \$249,999.84. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.18 per share expiring on June 1, 2023.
- (e) During the period ended June 30, 2022, the Company issued 480,000 common shares for proceeds of \$309,250 pursuant to the exercise of stock options. The fair value of \$141,966 for the stock options was reallocated from reserves to share capital.
- (f) During the period ended June 30, 2022, the Company issued 256,000 common shares pursuant to the settlement of restricted share units. The fair value of \$170,800 for the restricted share units vested was reallocated from reserves to share capital.

Share transactions for the year ended December 31, 2021:

- (a) On April 22, 2021, the Company issued 6,408,750 units at a price of \$0.50 per unit for proceeds of \$3,204,375. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.75 per share expiring on April 23, 2022. The Company issued 76,000 finders' warrants in connection with this private placement with a fair value of \$40,309. Each finder's warrant is exercisable at \$0.75 per common share expiring on April 23, 2022.
- (b) On April 22, 2021, the Company issued 580,000 flow-through common shares at a price of \$0.50 per share for proceeds of \$290,000. The Company recorded \$97,324 of flow-through share premium.
- (c) On April 22, 2021, the Company issued 180,000 common shares with a fair value of \$189,000 pursuant to the terms of the option agreement for the Brussels Creek Property. Refer to Note 4.
- (d) On August 16, 2021, the Company issued 570,000 shares with a fair value of \$969,000 for the acquisition of 100% of the issued and outstanding shares of Battmetals. Refer to Note 3.
- (e) On August 20, 2021, the Company issued 150,000 shares with a fair value of \$112,500 pursuant to the Kagoot Brook mineral property option agreement. Refer to Note 4.
- (f) During the year ended December 31, 2021, the Company issued 570,000 common shares for proceeds of \$427,500 pursuant to the exercise of share purchase warrants.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

7. Stock Options

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

	Number of options	Weighted average exercise price \$
Balance, December 31, 2020	–	–
Granted	15,000	1.80
Balance, December 31, 2021	15,000	1.80
Granted	675,000	0.64
Expired	(210,000)	0.70
Exercised	(300,000)	0.64
Balance, June 30, 2022	–	–

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2019	600,000	4.00
Issued	6,484,750	0.75
Expired	(600,000)	4.00
Exercised	(570,000)	0.75
Balance, December 31, 2020	5,914,750	0.75
Issued	13,528,332	0.155
Expired	(5,914,750)	0.75
Balance, June 30, 2022	13,528,332	0.155

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

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

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

9. Restricted Share Units

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

	Number of RSUs	Weighted average exercise price \$
Balance, December 31, 2020 and 2021	-	-
Granted	256,000	0.67
Vested	(256,000)	0.67
Balance, June 30, 2022	-	-

10. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, and accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

(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.

RECHARGE RESOURCES LTD.

(formerly Le Mare Gold Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

Period ended June 30, 2022

(Expressed in Canadian dollars)

(unaudited)

10. Financial Instruments and Risk Management (continued)

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Capital Management

The Company's capital structure consists of cash and equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

12. Subsequent Events

- (a) Subsequent to June 30, 2022, the Company granted 2,694,312 RSUs to consultants. The Company issued 2,694,312 common shares pursuant to the vesting of RSUs.

SCHEDULE "C"

MANAGEMENT DISCUSSION & ANALYSIS FOR PERIOD ENDED JUNE 30, 2022



RECHARGE RESOURCES LTD.
(formerly Le Mare Gold Corp.)

Management Discussion & Analysis (“MD&A”)

Period Ended June 30, 2022

Date of Report: August 29, 2022

The following management's discussion and analysis should be read together with the consolidated financial statements and accompanying notes for the year ended December 31, 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. (formerly known as Le Mare Gold Corp.) ("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 800,000 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 2,000,000 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 2,500,000 common shares in the Company.

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.

Excerpts from a September 21, 2020 NI 43-101 Technical Report authored by Peter Dadson B.Sc., P.Geo. detail the following information: Historical work on the Kagoot Brook property was largely driven by the results received from a 1981 Geological Survey Branch, New Brunswick Department of Natural Resources stream and spring sediment surveys. The results of the survey returned significantly elevated and anomalous cobalt in silts from both tributaries with values varying from 63ppm to 1,316ppm Cobalt. The results of the survey spurred multiple, multi-faceted exploration campaigns through the 1980's and 1990's.

In 2018 Explorex Resources Inc. re-processed the 1986-1987 fixed wing airborne magnetic survey data covering the property. The 3D modelling indicated the Kagoot Brook claims are underlain by a synformal fold structure with a fold axis trending near east-west. In December 2018 magnetic and VLF-EM surveys were completed along widely spaced selected logging road access trails. In July and September 2018, a silt sampling program was completed along the two anomalous creeks to confirm the existence and location of the historical silt sample results. A total of 51 silt samples were collected and confirmed the historical results with cobalt values to 3,190ppm Cobalt. The silt sampling program identified a clear and well defined up stream cut-off to the anomalous cobalt silt values. In December 2018, a two-hole NQ oriented core drill program was completed totalling 501m. The program was designed to test the underlying stratigraphy for the possible source of the anomalous stream sediment silt values. The structural data collected from the oriented core suggests that each drill hole may have been collared on opposing limbs of a tight synformal fold structure. Best results 79ppm Cobalt from the two-hole drill program returned. The author concludes that the property merits further exploration.

Pursuant to the Agreement, West Mining has assigned its original agreement made with Great Atlantic Resources Corp. and Explorex 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 1,000,000 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 500,000 (issued) common shares to Great Atlantic Resources for the extension on the exploration expenditures.

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 5.7 million 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
- 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
- iii) Exploration expenditures to be incurred:
 - US\$250,000 on or before March 21, 2023

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.

Highlights

On March 14, 2022, the Company entered into a digital marketing services agreement with TD Media LLC dba Life Water Media LLC whereby TD Media will provide digital marketing services including content creation, distribution, and market awareness campaigns in consideration of US\$350,000 for a 90 day term. On April 21, 2022, the Company announced the extension of the contract by 30 days in consideration of US\$100,000.

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 Brussels Creek property in consideration of Recharge paying the sum of \$75,000 (paid) and issuance 2,500,000 common shares in the Company (issued).

On March 21, 2022, the Company welcomed Andrew Mugridge to the Board of Directors and accepted the resignation of Andreas Schleich.

On March 21, 2022, the Company entered into an option agreement with Spey Resources 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. On March 9, 2022, the Company made payments totalling US\$350,000 (CDN\$450,565) and on March 24, 2022, the Company issued 10,056,800 common shares with a fair value of \$502,840 (US\$400,000) pursuant to the agreement.

On March 28, 2022, the Company granted 2,000,000 RSUs to consultants of the Company. On March 29, 2022, the Company issued 2,000,000 common shares pursuant to the vesting of these RSUs.

On March 28, 2022, the Company granted 2,000,000 stock options exercisable at a price of \$0.065 to a consultant of the Company. On March 30, 2022, the Company issued 2,000,000 shares pursuant to the exercise of these stock options.

On March 30, 2022, the Company granted 3,000,000 stock options stock options exercisable at a price of \$0.065 to consultants of the Company.

On March 31, 2022, the Company issued 2,000,000 common shares of the Company pursuant to the exercise of stock options.

On April 11, 2022, the Company granted 1,550,000 stock options exercisable at a price of \$0.06 to consultants of the Company.

On April 11, 2022, the Company granted 560,000 RSUs to consultants of the Company. On April 12, 2022, the Company issued 560,000 common shares pursuant to the vesting of these RSUs.

On April 13, the Company issued 550,000 common shares of the Company pursuant to the exercise of stock options.

On April 14, the Company issued 1,000,000 common shares of the Company pursuant to the exercise of stock options.

On April 26, 2022, the Company issued 250,000 common shares of the Company pursuant to the exercise of stock options.

On May 13, 2022, the Company accepted the resignation of Bryson Goodwin as President and a director of the Company.

On June 21, 2022, the Company issued 11,445,000 units at a price of \$0.09 per unit for proceeds of \$1,030,050. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.15 per share expiring on June 1, 2023.

June 21, 2022, the Company issued 2,083,333 flow-through units at a price of \$0.12 per unit for proceeds of \$249,999.84. Each unit consisted of one common share and one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.18 per share expiring on June 1, 2023.

On August 16, 2022, the Company appointed Lawrence Segerstrom as a director of the Company accepted the resignation of Joel Warawa as a director of the Company.

On August 17, 2022, the Company granted 2,694,312 RSUs to consultants of the Company.

On August 19, 2022 the Company issued 610,979 common shares pursuant to the vesting of RSUs.

On August 22, 2022, the Company issued 2,083,333 common shares pursuant to the vesting of RSUs.

Liquidity and Capital Resources

As at June 30, 2022, the Company had working capital of \$975,459 (December 31, 2021 – \$1,328,926). 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 six months ended		For the three months ended	
	June 30, 2022 \$	June 30, 2021 \$	June 30, 2022 \$	June 30, 2021 \$
Expenses				
Consulting fees	49,700	8,000	60,200	68,375
General and administrative	23,309	20,891	27,417	26,380
Investor relations	644,692	411,186	803,508	661,186
Management fees (Note 5)	139,500	22,500	222,000	45,000
Professional fees	15,597	7,413	28,702	12,082
Share-based compensation (Note 7)	81,129	8,541	368,510	8,541
Transfer agent and filing fees	12,163	29,481	24,408	38,275
Travel	13,641	579	13,919	968
Total expenses	979,731	48,736	1,548,664	860,807

Total operating expenses for the period ended June 30, 2022, an increase of \$687,857 compared to the prior year period. Significant increases over the prior year were as follows; an increase of \$142,322 in investor relations, an increase of \$177,000 in management fees and an increase of \$359,969. The increases are a result of the Company's continued growth, expansion of market awareness and addition of mineral assets, most recently the Pocitos project.

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)
	\$	\$	\$
September 30, 2020	–	(20,252)	(0.01)
December 31, 2020	–	(60,556)	(0.02)
March 31, 2021	–	(352,215)	(0.12)
June 30, 2021	–	(503,622)	(0.06)
September 30, 2021	–	(715,461)	(0.07)
December 31, 2021	–	(220,701)	(0.02)
March 31, 2022	–	(563,159)	(0.05)
June 30, 2022	–	(979,745)	(0.08)

Transactions with Related Parties

- (a) As at June 30, 2022, the amount of \$14,746 (December 31, 2021 – \$11,560) is due from the former CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$100,000 (2021 - \$nil) to the former CEO of the Company.
- (b) As at June 30, 2022, the amount of \$27,094 (December 31, 2021 – \$nil) is owed to a company controlled by the CEO of the Company. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$40,000 (2021 - \$nil) to a company controlled by the CEO of the Company.
- (c) As at June 30, 2022, the amount of \$10,500 (December 31, 2021 - \$5,250) is owed to a company controlled by the Chief Financial Officer (“CFO”) of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$53,500 (2021 - \$30,000) to a company controlled by the CFO of the Company.
- (d) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,957) is owed to the CFO of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (e) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,625) is owed to a company controlled by the Corporate Secretary of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred management fees of \$28,500 (2021 - \$15,000) to a company controlled by the Corporate Secretary of the Company.
- (f) As at June 30, 2022, the amount of \$nil (December 31, 2021 - \$2,100) is owed to a company controlled by Joel Warawa, a director of the Company which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand. During the period ended June 30, 2022, the Company incurred consulting fees of \$25,500 (2021 - \$7,875) to a company controlled by this director of the Company.
- (g) During the period ended June 30, 2022, the Company incurred consulting fees of \$6,000 (2021 - \$nil) to a company controlled by Andrew Mugridge, a director of the Company.

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 June 30, 2022.

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, 2022, 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 consolidated financial statements.

Outstanding Share Data

As at August 29, 2022, the Company had 29,637,436 common shares issued and outstanding.

As at August 29, 2022, the Company had 13,528,332 share purchase warrants outstanding.

Coronavirus Pandemic

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Travel bans and other government restrictions may also adversely impact the Company's operations.

Off Balance Sheet Arrangements

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

Other Requirements

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