



**ACN: 647 703 839**

**Annual Report  
for the Year Ended 30 June 2022**



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## CORPORATE DIRECTORY

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### **Directors**

#### **Non-Executive Chairman**

Mr Simon Andrew

#### **Managing Director**

Mr Brett Wallace

#### **Non-Executive Director**

Ms Felicity Repacholi-Muir

#### **Joint Company Secretaries**

Ms Amanda Burgess

Mr Alan Armstrong

#### **Registered Office**

Level 8

216 St Georges Terrace

Perth Western Australia 6000

#### **Principal Office**

Level 2,16 Outram Street

Perth Western Australian 6000

Telephone: +61 (8) 9481 0389

Facsimile: +61 (8) 9463 6103

Website: [www.rechargemetals.com.au](http://www.rechargemetals.com.au)

### **Auditors**

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco Western Australia 6008

### **Legal Advisors**

DLA Piper Australia

Level 21,240 St Georges Tce

Perth Western Australia 6000

### **Bankers**

National Australia Bank Limited

Ground Floor, 100 St Georges Terrace

Perth Western Australia 6000

### **Share Registry**

Computershare Investor Services Pty Ltd

Level 11,172 St Georges Tce

Perth WA 6000

Telephone: 1300 787 272

### **Stock Exchange**

Australian Securities Exchange Limited

ASX Code: REC listing date 11 October 2021



## DIRECTORS' REPORT

The Directors present their report together with the financial statements of Recharge Metals Limited (referred to hereafter as "the Company") for the financial year ended 30 June 2022.

### Current Directors

The name and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Simon Andrew - Non-Executive Chairman

Mr Brett Wallace – Managing Director

Ms Felicity Repacholi-Muir – Non-Executive Director

DIRECTOR	DETAILS
<b>Simon Andrew</b>	<b>Non-Executive Chairman</b>
Qualifications	B Science (Applied Chemistry) Hons
Appointment Date	5 February 2021
Experience	Mr Andrew has over 20 years' experience in financial markets in Asia and Australia. Previously he has held senior management positions at various global investment banks. These roles included leading the equity sales desk for BNP Paribas and heading the Refining and Petrochemicals sector research team at Deutsche Bank in Asia as well as spending 5 years as a research analyst at Hartley's Limited covering the oil and gas and industrial sectors.
Interest in shares and options	1,492,500 Ordinary Shares (escrowed), 7,500 Ordinary Shares 1,000,000 Unlisted Options exercisable at \$0.25 on or before 9 October 2023
Other directorships in listed entities held in the previous three years	Riversgold Limited (ASX: RGL) August 2019 – Present Mamba Exploration Limited (ASX:M24) Sept 2020 – Present Olympio Metals Limited (ASX:OLY) Aug 2021 - Present
<b>Brett Wallace</b>	<b>Managing Director</b>
Qualifications	LLB, Assoc dip of Applied Science (geoscience), MAusIMM
Appointment Date	5 February 2021
Experience	Brett is a lawyer and geoscience professional with over 20 years' experience in all aspects of geology and grade control, across a diverse range of commodities. Brett was admitted as a solicitor in August 2004 and practices in the areas of construction and mining law, with particular experience in large scale projects and mining infrastructure related contracts primarily within the oil and gas and mining sectors. He has acted as a solicitor and consultant at DLA Piper and as in-house Legal Counsel for ASX listed companies as Managing Director, Non-Executive Director and Company Secretary.
Interest in shares and options	1,530,000 Ordinary Shares (escrowed), 32,500 Ordinary Shares 1,000,000 Unlisted Options exercisable at \$0.25 on or before 13 February 2024
Other directorships in listed entities held in the previous three years	No other directorships held

## DIRECTORS' REPORT

<b>Felicity Repacholi-Muir</b>	<b>Non-Executive Director</b>
Qualifications	B Sc (Geol & Soil Sc) GradCertAppFin MAIG
Appointment Date	17 February 2021
Experience	Felicity is a broad-based professional geologist with 19 years' experience as a geologist, manager and consultant within the field of mineral exploration and resource development. She is experienced in conducting due diligence and project evaluation for venture capital business development and has a wide range of experience in mineral commodities and has been part of the exploration team responsible for the discovery and delineation of several economic deposits. Felicity was a founding Non-Executive Director of Whitestar Resources Ltd.
Interest in shares and options	1,032,500 Ordinary Shares (escrowed), 30,000 Ordinary Shares 1,000,000 Unlisted Options exercisable at \$0.25 on or before 13 February 2024 (escrowed)
Other directorships in listed entities held in the previous three years	Indiana Resources Limited (ASX:IDA) 1 June 2021 - Present Widgie Nickel Limited (ASX:WIN) 1 July 2021 - Present

<b>COMPANY SECRETARY</b>	<b>DETAILS</b>
<b>Amanda Burgess</b>	<b>Joint Company Secretary</b>
Appointment Date	9 June 2021
Experience	Ms Burgess is an accounting and company secretary professional with over 30 years' experience. She graduated from University of WA with a Bachelor of Economics degree and is a member of CPA Australia (CPA). Ms Burgess currently holds CFO and Company Secretary positions with various Australian companies.
<b>Alan Armstrong</b>	<b>Joint Company Secretary</b>
Appointment Date	9 June 2021
Experience	Mr Armstrong is a Chartered Accountant with over 10 years' experience having spent most of his career providing accounting and advisory services to resource companies. Mr Armstrong has a Bachelor of Business (Accounting/Finance) from Charles Sturt University and is a member of the Institute of Australian Chartered Accountants. Additionally, Mr Armstrong is a graduate and member of the Australian Institute of Company Directors.



## DIRECTORS' REPORT

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### Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### Principal Activities

The principal activity of the Company during the financial year was the acquisition and development of a portfolio of exploration properties.

### Operating Results for the Year

The operating result of the Company for the reporting year was a loss of \$1,278,641 (2021: \$50,590).

### Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial year.

### Review of Operations

During the year the company successfully completed the initial public offering and commenced trading on the ASX on 11 October 2021.

The Company raised \$5 million issuing 25 million ordinary shares at \$0.20 each in the initial public offer finalised during the half year ended 31 December 2021.

As part of the IPO, the acquisition of the projects has been completed including; the Brandy Hill South, the Bohemia Project and Tamia East Project. These projects will allow year-round exploration activity.

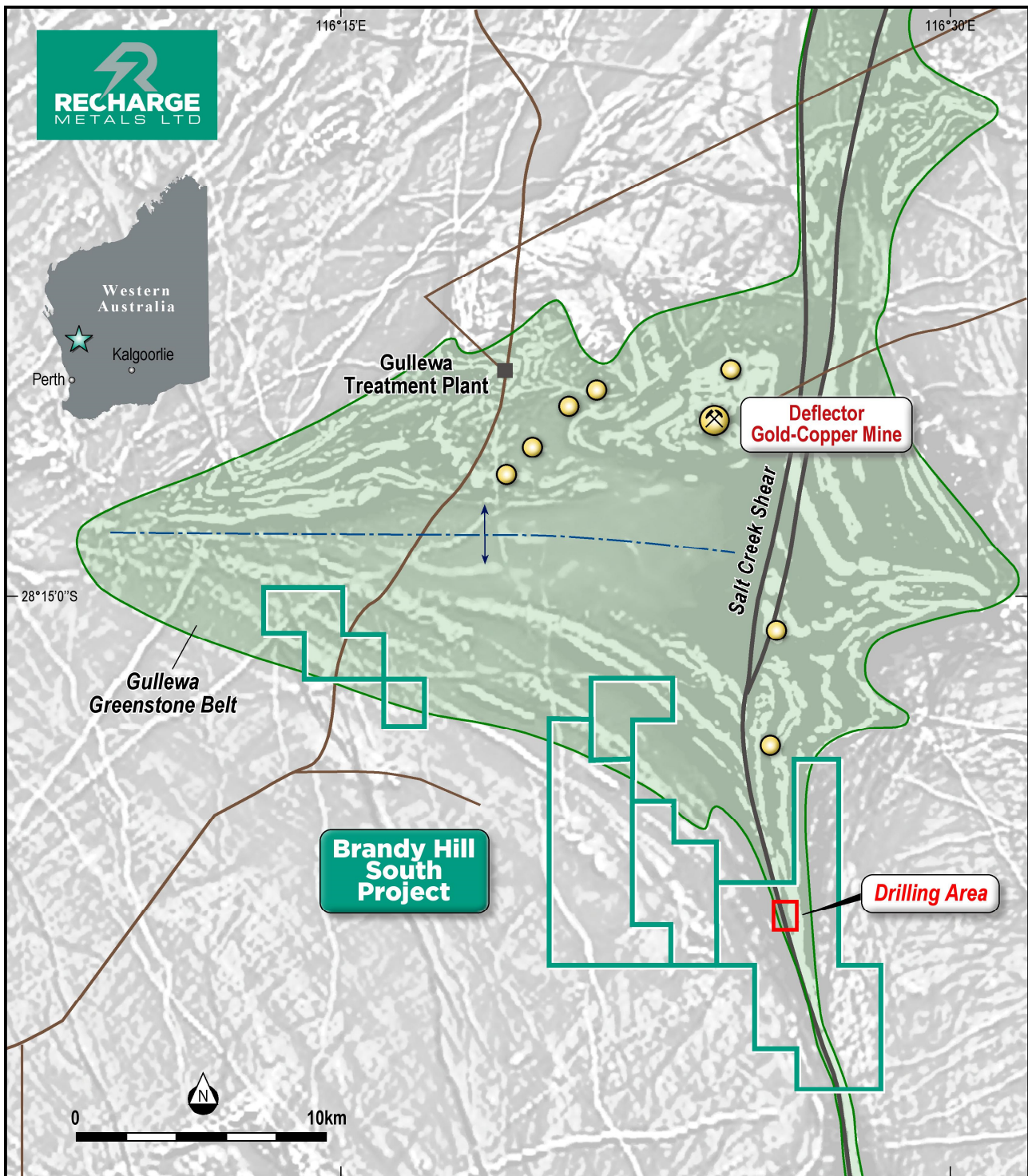
### ***Brandy Hill South***

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Exploration commenced immediately upon listing at the Brandy Hill South Project. The Brandy Hill South Project is located within the Murchison region of Western Australia, covering the southern extension of the Archaean Gullewa Greenstone Belt. Silverlake Resources Limited's (ASX:SLR) Deflector Deposit lies 25km to the north, a shallow narrow vein, high-grade gold and copper underground mine. Previous drilling within the Brandy Hill South Project has intersected significant copper mineralisation.

Recharge advanced the Brandy Hill Project through the completion of the following exploration:

- The reprocessing of geophysical data collected from previous surveys over the Brandy Hill Project.
- Twenty (20) Reverse Circulation (RC) drillholes. Drilling commenced during October 2021 and concluded in January 2022, with a total of 3,374m completed.
- Three (3) RC holes (BHRC018, BHRC019 and BHRC023) were selected to be extended with diamond tails. Drilling commenced during February 2022 and concluded in May 2022 for a total of 1,887m of diamond core.
- Downhole Transient Electromagnetic (DHTEM) surveys were completed on selected drillholes during February 2022 and May 2022. A total of five (5) drillholes were surveyed.



**Figure 1: Brandy Hill South Project tenements and deposit locations over magnetics and geology**



## DIRECTORS' REPORT

### RC Drilling Program

Recharge commenced its maiden drilling program during November 2021, completing four (4) Reverse Circulation (RC) holes prior to resuming the drilling in December with a larger capacity drill rig. Drilling concluded in January 2022, with a total of twenty (20) holes for 3,374m completed. The RC drilling program was designed to test the continuity of mineralisation, depth extensions of the mineralisation and extensions along strike (refer ASX Releases dated 8 February 2022, 13 April 2022, 10 May 2022 and 8 June 2022 for full details).

Significant results included:

- 12m @ 1.20% Cu from 74m, including 4m @ 2.87% Cu from 74m and 1m @ 5.92% Cu from 147m in drillhole BHRC006
- 32m @ 0.49% Cu, from 65m in drillhole BHRC007
- 10m @ 0.71% Cu, from 69m in drillhole BHRC008
- 10m @ 0.92% Cu from 59m, including 3m @ 1.37% Cu and 1m @ 1.29% Cu in drillhole BHRC012
- 14m @ 0.72% Cu from 64m, including 2m @ 1.45% Cu and 1m @ 1.87% Cu in drillhole BHRC013
- 29m @ 0.60% Cu from 63m, including 1m @ 1.11% Cu, 1m @ 1.81% Cu and 2m @ 1.72% Cu in drillhole BHRC015
- 10m @ 0.51% Cu from 97m, including 1m @ 1.18% Cu in drillhole BHRC016
- 13m @ 0.31% Cu from 141m in drillhole BHRC017
- 16m @ 0.41% Cu from 78m, including 1m @ 1.46% Cu from 87m in drillhole BHRC020
- 5m @ 0.92% Cu from 78m, including 2m @ 1.33% Cu in drillhole BHRC023

A review of previous RC assay results, which identified nickel mineralisation, were reported subsequent to the end of the reporting year (refer ASX Release dated 13 September 2022 for full details), with results including:

- 34m @ 0.25% Ni from 72m in drillhole BHRC011
- 25m @ 0.29% Ni from 32m in drillhole BHRC016
- 62m @ 0.29% Ni from 40m, including 1m @ 1.31% Ni in drillhole BHRC017
- 8m @ 0.44% Ni from 56m and 27m @ 0.52% Ni from 69m in drillhole BHRC018
- 34m @ 0.45% Ni from 56m in drillhole BHRC019

### Diamond Drilling and Downhole Electromagnetic Surveying

Three RC drillholes were selected to be extended with diamond tails. Drilling commenced during February 2022. The diamond program was designed to provide valuable structural and lithological information, which would assist in understanding the nature of the primary mineralisation as well as the supergene mineralisation identified within the oxidised/transition zones of the weathering profile.

BHRC019 was drilled beyond the planned depth of 300m to 393m due to the presence of sulphides beyond the target zone. Drilling intersected intense hydrothermal alteration, including carbonate, chlorite, epidote, quartz and sericite, throughout the lithological sequence.

The second diamond tail, BHRC018 was drilled beyond the planned depth of 300m to 399m due to the presence of sulphides beyond the target zone (refer ASX Release dated 10 May 2022). Drilling intersected intense hydrothermal alteration, including carbonate, chlorite, quartz, silica, serpentine and talc throughout the lithological sequence. Copper minerals, such as chalcopyrite, were observed throughout the drillhole.

BHRC023 was abandoned due to the pre-collar collapsing and a replacement diamond hole, namely BHD026 was completed to a depth of 357.5m (refer ASX Release dated 18 May 2022).

Preliminary observations from the drillcore identified ultramafic / andesite / gabbro rocks with massive sulphides, blebby sulphide and associated sulphide veins and veinlets; and disseminated sulphides, including chalcopyrite (copper sulphide) mineralisation. Drilling intersected intense hydrothermal alteration, including carbonate, chlorite, epidote, quartz and silica throughout the lithological sequence.

The three (3) diamond drillholes were completed for a total of 1,150m, including 887m of diamond core.



## DIRECTORS' REPORT

During February 2022, and May 2022 DHTM surveys were carried out on four (4) holes. The DHTM surveys were completed to identify conductors to assist with further drilling programs. The presence of conductive bodies of interest were modelled from the data obtained from drillholes BHRC017, BHRC025 and BHD026.

Modelling of the DHTM data from BHRC017 highlighted the presence of two moderately conductive (300–750 siemens) off-hole sources at ~60-80m and ~150-160m downhole in BHRC017. BHRC018, completed to a depth of 399m, intersected the top plate at around 80m depth, correlating with massive sulphide mineralisation identified in drill core, but did not intersect the lower plate at approximately 150m, due to the conductor plate interpreted to be located to the north of the drillhole position. A proposed drill hole has been designed to intersect the lower conductor plate at ~190m downhole depth.

Modelling of the DHTM data from BHRC025 defined a broad, moderate off-hole anomaly at ~20m downhole, which was modelled with a reasonably extensive moderately conductive source located to the west of the drill hole. A proposed drill hole has been designed to intersect the interpreted conductor.

Modelling of the DHTM data from BHD026 identified three strongly conductive sources (referred to as BHD26-1, BHD26-2 and BHD26-3). BHD26-1 anomaly interpreted to intersect at ~270-280m downhole in BHD026. The model conductor correlates with massive sulphide mineralisation identified in drill core at 284m depth. BHD26-2 is of particular interest as it located along strike of the BHD026-1 edge intersection, which correlates with massive sulphide mineralisation intersected in the drill hole at 284m. Modelling indicates the presence of a relatively large, strongly conductive (~2,400 siemens) off-hole source along strike of the BHD026 intercept. BHD26-3 is interpreted to be a broad off-hole anomaly evident in BHD026 from ~40-120m downhole. Modelling results indicate the presence of a large, highly conductive (~7,000 siemens) off-hole source. Two drill holes have been proposed to intersect the BHD26-2 and BHD26-3 conductor plates.

Results for the diamond drilling were received subsequent to the end of the reporting year (refer ASX Releases dated 8 August 2022 and 13 September 2022 for full details).

Significant results included:

- BHD026
  - 93m @ 0.35% Cu from 209m, including 0.30m @ 2.66% Cu
  - 7.1m @ 0.34% Cu from 80.9m
  - 10.4m @ 0.31% Cu from 190.1m
- BHRC018
  - 42.1m @ 0.26% Ni from 96.9m
  - 29 @ 0.21% Ni from 141m
  - 1m @ 1.41% Cu from 200m
  - 9.4m @ 0.27% Cu from 305.6m
  - 58m @ 1.5g/t Ag from 189m, including 1.2m @ 16g/t Ag from 200m; and
  - 119m @ 1.3g/t Ag from 257m,, including 1m @ 13g/t Ag from 301m
- BHRC019
  - 57m @ 0.25% Ni from 109m
  - 10m @ 0.41% Cu from 171m, including 1.2m @ 1.72% Cu from 173m;
  - 9m @ 0.25% Cu from 264m;
  - 10m @ 0.29% Cu from 296m;
  - 8.1m @ 0.32% Cu from 339.1m, including 1m @ 1.14% Cu from 336m;
  - 234m @ 1.5g/t Ag from 159m, including 1.2m @ 18g/t Ag from 173m; and 1m @ 12g/t Ag from 390m

BHRC018 and BHRC019 are the only holes that Recharge has drilled that have intersected the Salt Creek Shear. Nickel mineralisation occurred in both holes through variably sheared volcanoclastic, high-Mg basalt to ultramafic, and mafic lithologies, including the transitional weathering profile. Copper and silver mineralisation appears restricted to intermediate/mafic lithologies more distal to the shear zone BHRC018 was drilled to a depth of 393m.

Interpretation of the logging and assay results allows the following comments can be made.

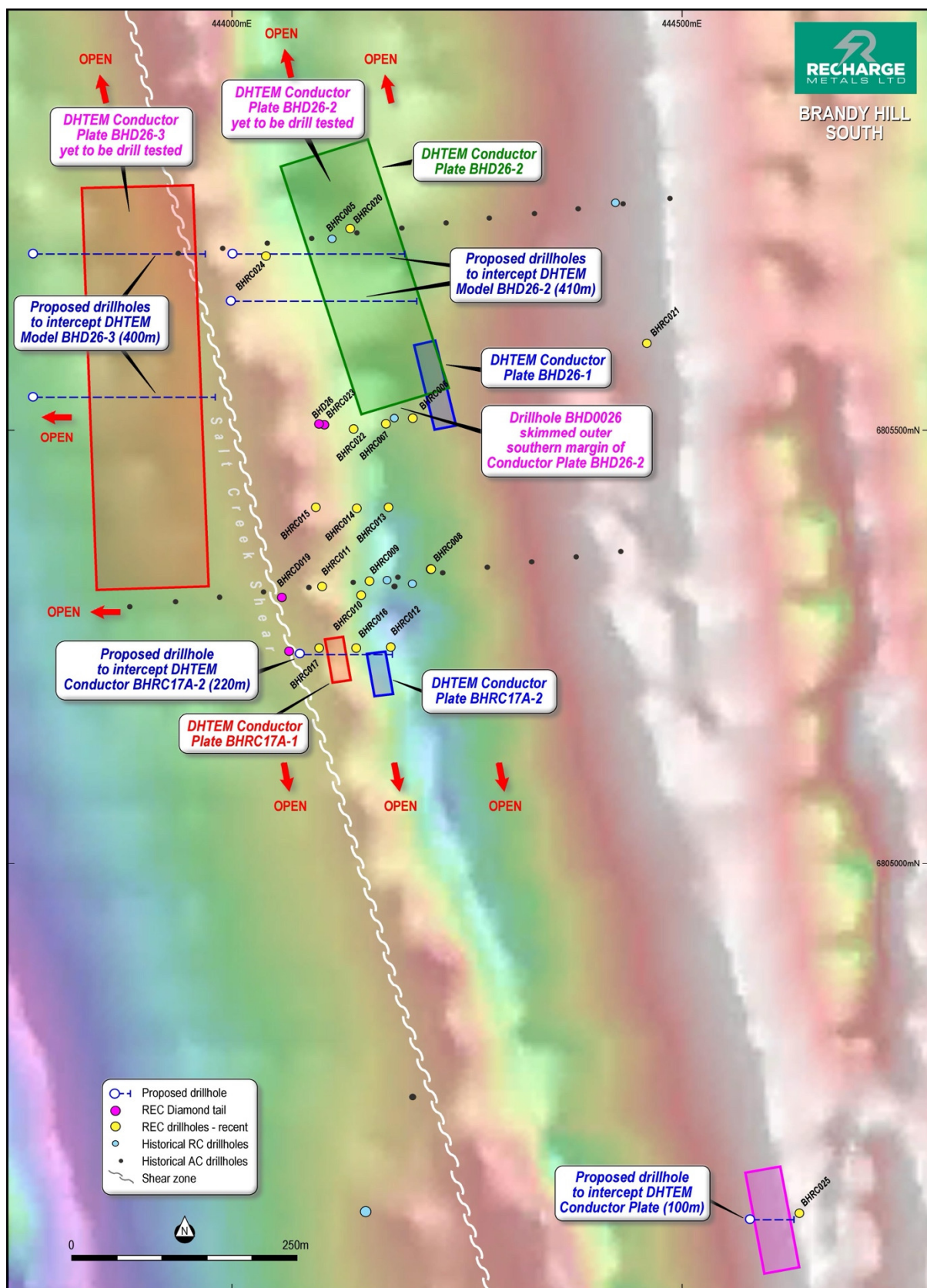
## DIRECTORS' REPORT

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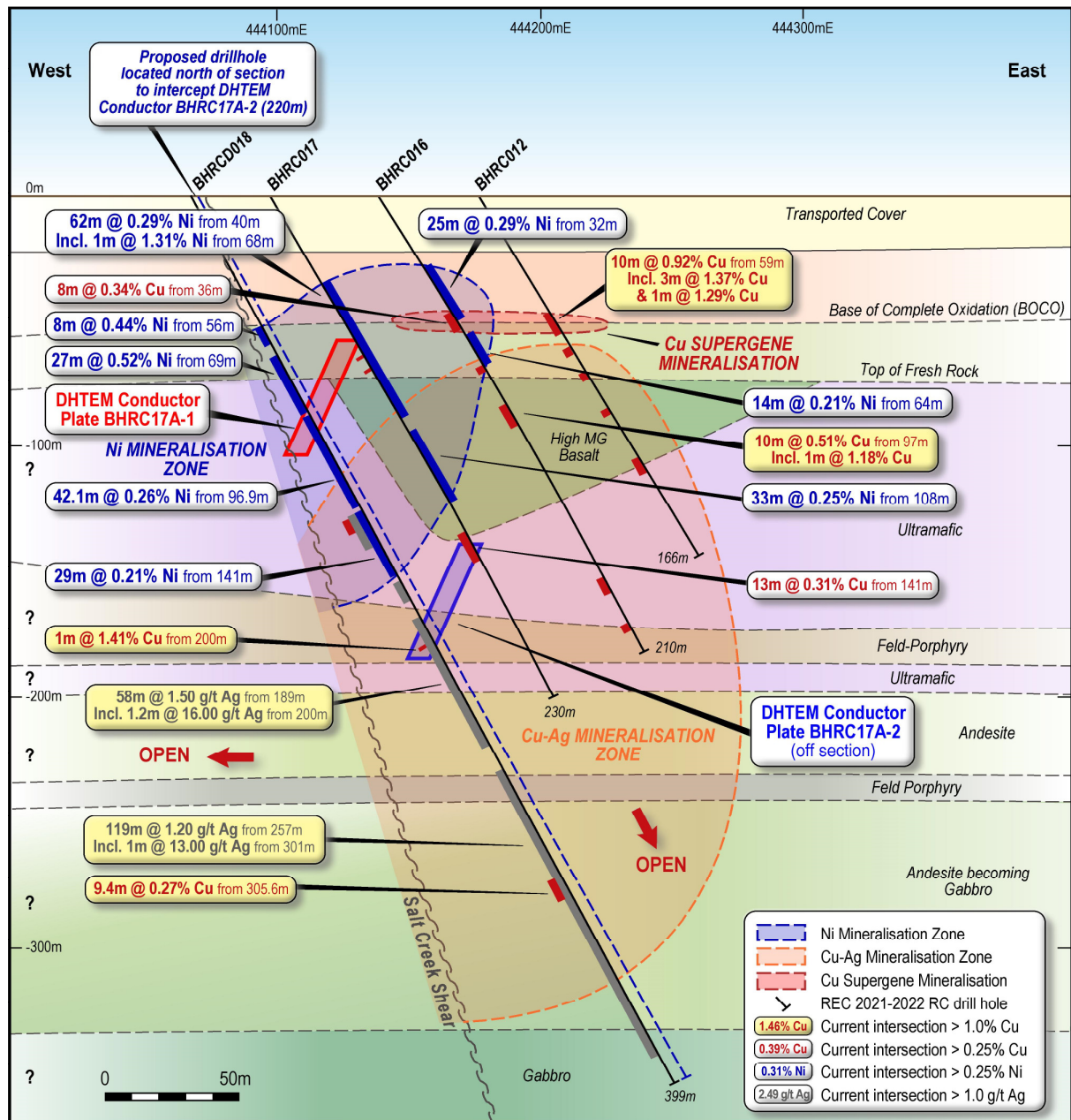
- Higher-grade nickel mineralisation appears to be associated with ultramafic and high-Mg basalt lithologies within and adjacent to the Salt Creek Shear.
- Higher-grade copper and silver mineralisation appears to be associated with intermediate to mafic lithologies, on the hanging wall side (to the east) of the Salt Creek Shear

Observations of the core in BHD026 noted massive sulphides, blebby sulphide and associated sulphide veins and veinlets; and disseminated sulphides, including chalcopyrite (copper sulphide) mineralisation. Drilling intersected intense hydrothermal alteration, including carbonate, chlorite, epidote, quartz and silica throughout the lithological copper mineralisation appears to be associated with intermediate to mafic lithologies, on the hanging wall side (to the east) of the Salt Creek Shear.

Drilling is currently in progress at Brandy Hill South, the current program has been designed to test high-order conductors identified from the DHTM surveying.



**Figure 2: Brandy Hill South – Plan showing existing and proposed drilling, DHTEM/fixed loop survey and modelled FLEM conductor plates, overlying TMI magnetics image**





## DIRECTORS' REPORT

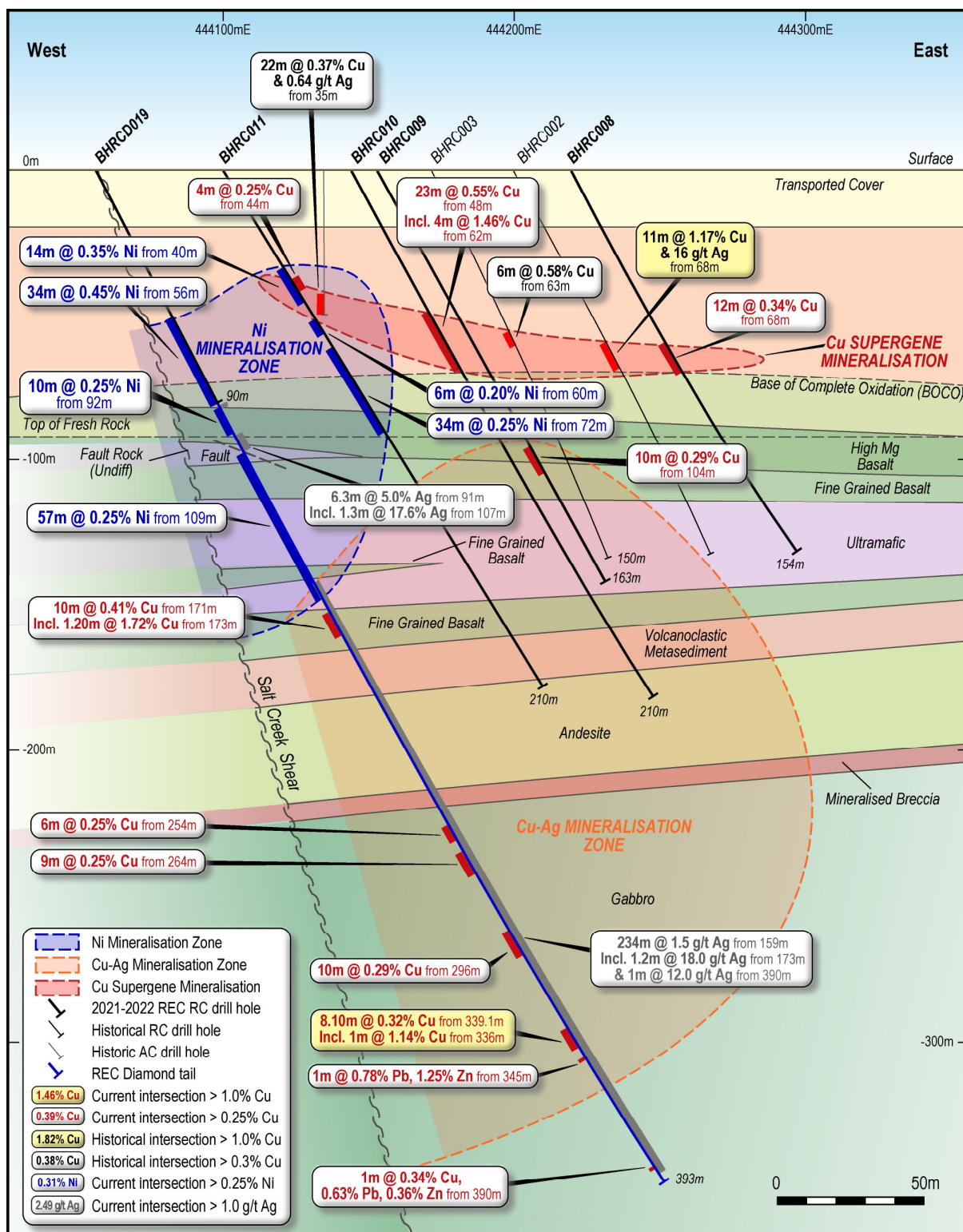
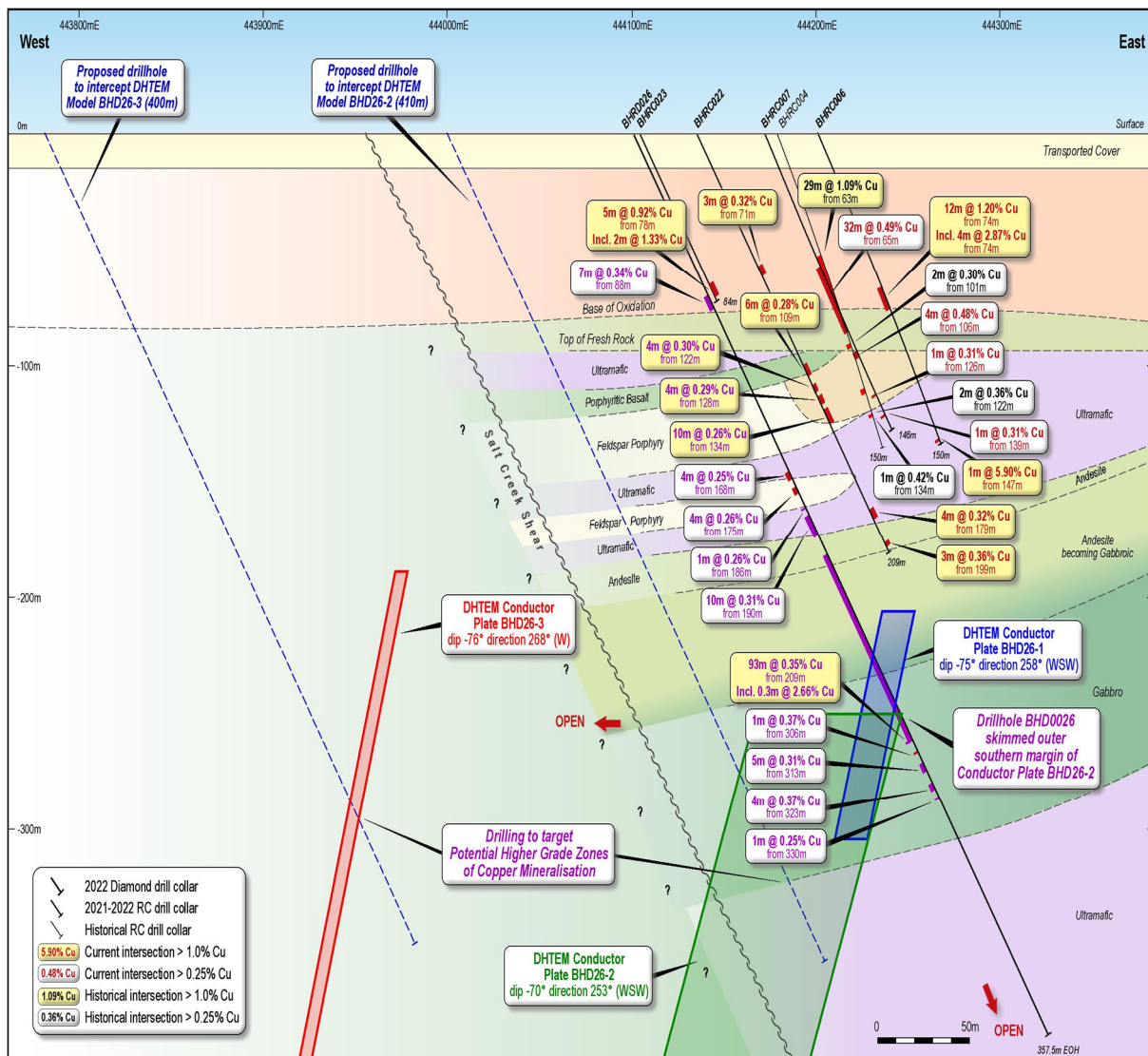


Figure 4: Section 6805300N



**Figure 5: Section 6805500mN. Three strongly conductive sources have been identified from DHTM survey of hole BHD026 (conductor plates BHD26-1, BHD26-2 and BHD26-3). Two drillholes proposed to test conductor plates BHD026-2 and BHD026-03**

### Tampia East Project

The Tampia East Project is within the Western Gneiss Terrane of the southwest Yilgarn Province, WA and consists of a single Exploration Licence, namely E 70/5747.

Detailed mapping and surface geochemistry sampling programmes are currently being planned for the Tampia East Project.

### Bohemia Downs

The Bohemia Project comprises three exploration licence applications (E 80/5574, E 80/5575 and E 80/5576), which collectively cover 181 Blocks (~570km<sup>2</sup>) in the Lennard Shelf, Kimberley Region, WA.

Negotiations with the native title owners of the land for heritage protection agreements resulted in two heritage protection agreements being executed in March 2022.

Negotiations with the native title owner of the land for the remaining heritage protection agreement have progressed and are expected to be executed later in 2022.

## DIRECTORS' REPORT

### Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled and fairly represented by Mr Brett Wallace, Managing Director of Recharge Metals Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Wallace has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wallace consents to the inclusion in this report of the matters based on this information in the form and context in which it appears

### Events After Reporting Date

Subsequent to the year-end, the following material events transpired:

On 14 July 2022, the Company announced the delineation of strong conductors from DHTM surveying. Details are included in the preceding section.

On 8 August 2022, the Company announced broad zone of copper mineralisation within drillhole BHD026. Significant results are included in the preceding section.

On 7 September 2022, the Company announced the resumption of drilling at Brandy Hill South. RC drilling and diamond drilling was designed to test high-order conductors identified from DHTM surveying as well as targeting anomalous copper results from previous aircore drilling programs.

On 15 September 2022, the Company announced broad zones of nickel mineralisation in drillholes BHRCD018 and BHRCD019. Significant results are included in the preceding section.

The Company entered into a lease to rent a property at Level 2, 16 Ord Street West Perth WA, signed in July 2022 for three years ending 30 June 2025.

Other than the above, the Company has no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company for the time the director held office during the financial year are as follows:

Director	No. eligible to attend	No. attended
Simon Andrew	7	7
Brett Wallace	7	7
Felicity Repacholi-Muir	7	7

### Indemnification of Officers

The Company currently has no insurance cover indemnifying officers against any liability arising out of their conduct whilst acting for the Company.

### Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company or any part of those proceedings.



**REMUNERATION REPORT (AUDITED)**

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*. This report details the nature and amount of remuneration for each director of Recharge Metals Limited, and for the executives of the Company.

**Remuneration Policy**

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications. During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration policy of Recharge Metals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component for short-term incentives and offering specific long-term incentives, based on key performance areas affecting the Company's financial results. The Board of Recharge Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for the Board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives was developed by the Board and legal advisors. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation where applicable. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the high calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- Executives will also be entitled to participate in future employee share and option arrangements.
- The Executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 10.5%, and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. Shares allocated to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Options are valued using appropriate methodologies.

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No such advice was obtained during the year. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and can participate in the employee option plan.

**REMUNERATION POLICY (continued)**

**Non-Executive Directors Remuneration**

All Non-Executive Directors are entitled to receive \$45,000 per annum for their roles as Directors of the Company and the Chairman is entitled to receive up to \$65,000 per annum.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of \$350,000 per annum, to be approved at the 2022 Annual General Meeting. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

On termination, the Executives are entitled to be paid those outstanding amounts owing to the Executives for the period up until the Termination Date. The Executives do not have any entitlement to any payment relating to any period after the Termination Date.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

**Other Executives Remuneration**

**Service Agreements**

**Mr Brett Wallace - Managing Director & CEO (Appointed 5 February 2021)**

Mr Wallace's employment terms are governed by a Service Agreement. The terms of the agreement can be terminated by either party providing three months' written notice. Mr Wallace is entitled to receive a Director's Fee of \$250,000 per annum (exclusive of statutory superannuation).

Subject to the ASX Listing Rules and the *Corporations Act 2001*, if the appointment of the Executive is terminated as a result of a change in control of the Company, the Company will pay to the Executive three months' worth of Executive Service Fees as liquidated damages for the Executive's loss of engagement. If the *Corporations Act 2001* or the ASX Listing Rules restricts the amount that can be paid to the Executive on termination to an amount less than that calculated, then the amount can be paid under the *Corporations Act 2001* and the ASX Listing Rules without approval of the Company's shareholders.

**Share-Based Compensation**

During the year no ordinary shares in the Company were issued as a result of the exercise of remuneration options to Directors of Recharge Metals Limited or other Key Management Personnel of the Company.

**Additional information**

No performance-based bonuses have been paid to Key Management Personnel during the financial year. It is the intent of the Board to include performance bonuses as part of remuneration packages when mine production commences.

## DIRECTORS' REPORT

### REMUNERATION POLICY (continued)

#### Details of Remuneration

Details of remuneration of the Directors and Key Management Personnel of the Company are set out below:

	Short-Term Benefits	Post- Employment Benefits	Share-Based Payments		Total	Performance Related
	Cash, Fees and Salary	Super- annuation	Equity	Options/ Rights		
<u>Non-Executive Directors</u>	\$	\$	\$	\$	\$	%
Simon Andrew	54,167	-	-	-	54,167	-
Felicity Repacholi- Muir	37,500	-	-	-	37,500	-
<b>Subtotal</b>	<b>91,667</b>	-	-	-	<b>91,667</b>	-
<u>Executive Director</u>						
Brett Wallace	250,000	-	-	-	250,000	-
<b>Subtotal</b>	<b>250,000</b>	-	-	-	<b>250,000</b>	-
<b>TOTAL</b>	<b>341,667</b>	-	-	-	<b>341,667</b>	-

The following table provides employment details of persons who were, during the financial year, members of Key Management Personnel of the Company. The table also illustrates the proportion of remuneration that was fixed and at risk.

	Fixed Remuneration	At Risk Long Term Remuneration
	%	%
<b>Directors</b>	<b>2022</b>	<b>2022</b>
Simon Andrew	100	-
Brett Wallace	100	-
Felicity Repacholi-Muir	100	-

#### Loans to Key Management Personnel

There were no Key Management Personnel loans during the current financial year (2021: Nil).

#### Other Transactions with Key Management Personnel

Spey Holdings Pty Ltd, a company which Mr Brett Wallace is a director of, supplied equipment hire to the value of \$9,975. Lugard Consulting Pty Ltd, a company of which Simon Andrew is a director, provided field hand services to the value of \$1,000 during the year ended 30 June 2022 (June 2021: Nil).

Other than the abovementioned there were no Key Management Personnel related party transactions during the current financial year (2021: Nil).

## DIRECTORS' REPORT

### REMUNERATION POLICY (continued)

#### Key Management Personnel Shareholdings

The number of ordinary shares in Recharge Metals Limited held by each Key Management Personnel of the Company during the financial year is as follows:

Directors	Balance at beginning of year	Granted as compensation (i)	Other changes (ii)	Balance at end of year
Simon Andrew	1,500,000	-	-	1,500,000
Brett Wallace	1,562,501	-	-	1,562,501
Felicity Repacholi-Muir	1,062,500	-	-	1,062,500
<b>Total</b>	<b>4,125,001</b>	<b>-</b>	<b>-</b>	<b>4,125,001</b>

#### Options over Equity Instruments Granted as Compensation

#### Key Management Personnel Options Holdings

The number of options over ordinary shares in Recharge Metals Limited held by each Key Management Personnel of the Company during the financial year is as follows:

Directors	Balance at beginning of year	Granted as compensation (i)	Exercised	Balance at end of year	Vested & Exercisable	Vested & Un-exercisable
Simon Andrew	1,000,000	-	-	-	-	1,000,000
Brett Wallace	1,000,000	-	-	-	-	1,000,000
Felicity Repacholi-Muir	1,000,000	-	-	-	-	1,000,000
<b>Total</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>

No options have been granted to the Directors or KMP since the end of the financial year. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one fully paid ordinary share.

#### Performance-Based Remuneration

The Company currently has no performance-based remuneration component built into director and executive remuneration packages due to the stage of the Company's development, as such no link between remuneration and financial performance currently exists.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

#### Remuneration Consultants

During the year, the Company did not seek the advice of remuneration consultants.

### END OF AUDITED REMUNERATION REPORT (AUDITED)

## DIRECTORS' REPORT

### Share Options

As at the date of this report the unissued ordinary shares of Recharge Metals Limited under option are as follows:

Date Granted	Details	Expiry Date	Exercise Price	Number under Option
13 Feb 2021	Unlisted	13/02/2024	\$0.25	3,000,000
13 Feb 2021	Unlisted	13/02/2024	\$0.25	100,000
7 July 2021	Unlisted	7/07/2024	\$0.25	585,000
7 Oct 2021	Unlisted	7/10/2024	\$0.25	250,000
7 Oct 2021	Unlisted	7/10/2024	\$0.25	5,177,000
				9,112,000

### Environmental Regulation

The Directors are mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known breaches of any environmental regulation by the Company during the financial year.

### Future Developments

Further information, other than as disclosed this report, about likely developments in the operations of the Company and the expected results of those operations in future periods, has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

### Non-Audit Services

During this financial year, fees paid to Hall Chadwick WA Audit Pty Ltd for non-audit services comprised of \$10,335 for IPO related services.

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

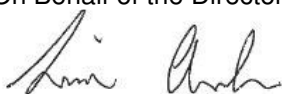
- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

### Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporation Act 2001.

On Behalf of the Directors



**Simon Andrew**  
**Non-Executive Chairman**

Dated this 29 day of September 2022

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Recharge Metals Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 29<sup>th</sup> day of September 2022  
Perth, Western Australia

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
Revenue	4(a)	2,773	-
Administration expenses		(31,989)	(831)
Depreciation/Amortisation		(7,889)	(66)
Corporate compliance expenses	4(b)	(1,026,615)	(28,061)
Promotional expenses		(76,195)	(2,411)
Impairment of exploration and evaluation expenses		(126,311)	-
Exploration and evaluation expenses		-	(19,209)
Share based payments		(12,415)	(12)
<b>Profit/(loss) before income tax</b>		<b>(1,278,641)</b>	<b>(50,590)</b>
Income tax expense		-	-
<b>Net profit/(loss) for the period</b>		<b>(1,278,641)</b>	<b>(50,590)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(1,278,641)</b>	<b>(50,590)</b>
<b>Loss per share</b>			
Basic and diluted loss per share		(0.0335)	(0.0195)

The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,351,316	55,103
Trade and other receivables	8	298,314	4,517
<b>TOTAL CURRENT ASSETS</b>		<b>2,649,630</b>	<b>59,620</b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation assets	9	2,438,686	731,441
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,438,686</b>	<b>731,441</b>
<b>TOTAL ASSETS</b>		<b>5,088,316</b>	<b>791,061</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	314,154	154,138
Provisions	12	20,833	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>334,987</b>	<b>154,138</b>
<b>TOTAL LIABILITIES</b>		<b>334,987</b>	<b>154,138</b>
<b>NET ASSETS</b>		<b>4,753,329</b>	<b>636,923</b>
<b>EQUITY</b>			
Issued capital	13	5,428,594	448,418
Other capital	13(a)	-	227,000
Reserves	14	653,966	12,095
Accumulated losses		(1,329,231)	(50,590)
<b>TOTAL EQUITY</b>		<b>4,753,329</b>	<b>636,923</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Issued Capital	Other Equity	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 5 February 2021</b>	-	-	-	-	-
Loss for the period	-	-	-	(50,590)	(50,590)
Other comprehensive income	-	-	-	-	-
	-	-	-	(50,590)	(50,590)
<b>Transactions with equity holders in their capacity as owners</b>					
Issue of shares (net of costs)	448,418	-	-	-	448,418
Application funds received	-	227,000	-	-	227,000
Share-based payments	-	-	12,095	-	12,095
<b>Total transactions with equity holders in their capacity as owners</b>	<b>448,418</b>	<b>227,000</b>	<b>12,095</b>	<b>-</b>	<b>687,513</b>
<b>Balance at 30 June 2021</b>	<b>448,418</b>	<b>227,000</b>	<b>12,095</b>	<b>(50,590)</b>	<b>636,923</b>
<b>Balance at 1 July 2021</b>	<b>448,418</b>	<b>227,000</b>	<b>12,095</b>	<b>(50,590)</b>	<b>636,923</b>
Loss for the year	-	-	-	-	-
Other comprehensive income	-	-	-	(1,278,641)	(1,278,641)
	-	-	-	(1,278,641)	(1,278,641)
<b>Transactions with equity holders in their capacity as owners</b>					
Issue of shares (net of costs)	4,980,176	-	-	-	4,980,176
Application funds received	-	(227,000)	-	-	(227,000)
Share-based payments	-	-	641,871	-	641,871
<b>Total transactions with equity holders in their capacity as owners</b>	<b>4,980,176</b>	<b>(227,000)</b>	<b>641,871</b>	<b>-</b>	<b>5,395,047</b>
<b>Balance at 30 June 2022</b>	<b>5,428,594</b>	<b>-</b>	<b>653,966</b>	<b>(1,329,231)</b>	<b>4,753,329</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
<b>Cash flows from operating activities</b>			
Interest Income		2,773	
Payments to suppliers and employees		(1,459,512)	(36,980)
<b>Net cash flows from operating activities</b>	20	<b>(1,456,739)</b>	<b>(36,980)</b>
<b>Cash flows from investing activities</b>			
Payment of plant and equipment		(7,805)	-
Payments for project acquisition		(16,667)	(510,000)
Payments for exploration and evaluation expenditure		(1,384,466)	(85,417)
<b>Net cash flows from investing activities</b>		<b>(1,408,938)</b>	<b>(595,417)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares in the Company (net of costs)		5,161,890	687,500
<b>Net cash flows from financing activities</b>		<b>5,161,890</b>	<b>687,500</b>
Net increase in cash and cash equivalents		2,296,213	55,103
Cash and cash equivalents at the beginning of the year		55,103	-
<b>Cash and cash equivalents at the end of the year</b>		<b>2,351,316</b>	<b>55,103</b>

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### 1. CORPORATE INFORMATION

This financial report of Recharge Metals Limited (the "Company") was authorised for issue in accordance with a resolution of the Directors on 29 September 2022.

Recharge Metals Limited is a public listed company, incorporated and domiciled in Australia.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

#### (b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the year of \$1,278,641 (2021: \$50,590) and net cash inflows of \$2,296,213 (2021: \$55,103).

As at 30 June 2022, the Company has a working capital Surplus/(deficit) of \$2,314,643 (2021: \$94,518).

During the year, the Company issued two seed share capital raises of 2,462,500 shares at \$0.08 per share to the value of \$197,000 on 7 July 2021, and 6,625,000 shares at \$0.08 per share to the value of \$530,000 on 25 July 2021. The IPO was completed on 4 October 2021 issuing 26,375,000 shares at \$0.20 per share raising \$5,230,000.

The Company will plan a capital raising should the current drilling program continue to show encouraging results and further drilling is required. If required, the company can reduce its discretionary spend to enable it to meet its commitments over the next 12 months.

Based on the cashflow forecasts prepared and other factors referred to above the Directors are satisfied the Company can continue to pay its debts as and when they fall due for at least the next twelve months.

#### (c) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### **(d) Segment Reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

### **(e) Exploration and Evaluation Assets**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

### **(f) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### **(g) Trade and Other Payables**

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

### **(h) Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### (i) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

### (j) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (k) Revenue Recognition

The Company recognises revenue as follows:

#### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### (l) Income Tax

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### **(l) Income Tax (continued)**

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

### **(m) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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### **(n) Impairment of Assets**

At the end of each reporting period, the directors assess whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

### **(o) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **(p) Employee Benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### (q) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. In the opinion of the Directors, there are no critical accounting estimates or judgments in this financial year. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### 3. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry.

The Board considers that it has only operated in one segment, being mineral exploration in Australia.

### 4. REVENUES AND EXPENSES

	30 June 2022	30 June 2021
	\$	\$
<b>(a) Revenue</b>		
Interest	<u>2,773</u>	<u>-</u>
<b>(b) Expenses</b>		
	30 June 2022	30 June 2021
	\$	\$
<b>Corporate Expenses</b>		
Accounting expenses	82,873	7,140
Legal fees	282,072	586
ASX fees	93,700	-
Audit fees	27,653	20,335
Directors Fees	363,409	-
Company Secretarial	118,272	-
Rent/Office costs	15,600	-
Insurance	26,500	-
Other expenses	16,536	-
	<u>1,026,615</u>	<u>28,061</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. AUDITOR'S REMUNERATION**

During the year, the following fees were paid or payable for services provided by Hall Chadwick WA Audit Pty Ltd, the auditor of the company:

	30 June 2022	30 June 2021
	\$	\$
<b>Audit Services</b>		
Audit and review of the financial statements	22,500	-
<b>Other Services</b>		
ILAR expenses	-	10,235
	<u>22,500</u>	<u>10,235</u>

**6. LOSS PER SHARE**

(a) Reconciliation of Loss used to calculate Loss per share

	30 June 2022	30 June 2021
	\$	\$
Loss for the year	1,278,641	50,590
<b>Loss used to calculate basic and diluted loss per share</b>	<u>1,278,641</u>	<u>50,590</u>

(b) Weighted average number of ordinary shares (diluted):

	30 June 2022	30 June 2021
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating:	38,116,371	2,594,053
Basic loss per share	(0.0335)	(0.0195)
Diluted loss per share	<u>(0.0335)</u>	<u>(0.0195)</u>

As the Company is in a loss position, the options outstanding at 30 June 2022 have no dilutive effects on the earnings per share calculation.

**7. CASH AND CASH EQUIVALENTS**

	30 June 2022	30 June 2021
	\$	\$
Cash at bank and on hand	2,341,316	55,103
Short Term Deposit	10,000	-
	<u>2,351,316</u>	<u>55,103</u>

Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates.

**8. TRADE AND OTHER RECEIVABLES**

	30 June 2022	30 June 2021
	\$	\$
GST Receivable	281,124	4,517
Prepayment	10,775	-
Other	6,415	-
	<u>298,314</u>	<u>4,517</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**9. EXPLORATION AND EVALUATION ASSETS**

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
Opening Balance	731,441	-
Project acquisition (i)(ii)(iii)	237,408	637,740
Impairment of Tenements(iv)(v)	(126,311)	-
Exploration expenditure capitalised	1,569,146	93,701
<b>Carrying amount at balance date</b>	<b>2,438,686</b>	<b>731,441</b>

- (i) The Company purchased mineral tenement licenses in Brandy Hill south in Western Australia in March 2021 under a tenement sale agreement dated 13 February 2021 for an initial cash consideration of \$250,000 and a further \$250,000 within three months which was paid in May 2021.
- (ii) The Company purchased mineral tenement licenses in Hyden in Western Australia in March 2021 under a tenement sale agreement dated 25 March 2021 for a surrender fee of a cash consideration of \$10,000.
- (iii) The Company entered into the Hyden Tenement sale agreement on 7 August 2021 for the tenement E70/5747 and issued Licograph 1,000,000 shares upon listing on ASX at \$0.20 per share with a fee payable of \$5,528.
- (iv) The Hyden Option Agreement entered into on 7 August 2021 was not exercised and expired in January 2022. The key terms of the agreement were as follows
  - a. \$85,494 option fee paid for E70/5003 within the half year period
  - b. 6,000,000 shares in the Company to be issued upon exercise of the agreement by the Company.
  - c. Expires in 6 months if not exercised
  - d. If not exercised by Recharge, Licograph can elect to acquire the tenement E70/5756 and the surrender fee of \$10,000 to be repaid to the Company.
- (v) the Hyden Option Agreement was not exercised post half year end the Company has therefore impaired the costs involved in the agreement and associated tenements by \$126,310 as at half year ended 31 December 2021.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, and other associated activities used in exploration and evaluation activities. Exploration incurred is accumulated in relation to each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The company conducts impairment testing when indicators of impairment are present at the reporting date. No such indicators are present at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. INCOME TAX BENEFIT/(EXPENSE)**

(a) A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
(b) Profit/(loss) before tax	(1,278,641)	(50,590)
Statutory income tax rate for the Company at 30.0% (2021:30%)	<u>(383,592)</u>	<u>(15,177)</u>

*Tax effect of amounts which are not deductible /(taxable) in calculating taxable income:*

- Share based payments expense	3,725	-
- Deductible equity raising costs	(21,353)	(990)
- Other deductible expenses	-	(250)
- Non-deductible expenses	564	194
- Unrecognised tax losses	<u>400,658</u>	<u>16,224</u>

*Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income*

- -

(c) *Unrecognised deferred tax assets and liabilities*

**Deferred Tax Assets**

Employee provisions	6,250	-
Other provisions	4,675	2,750
Tax losses	<u>390,450</u>	<u>23,018</u>
	<u>469,073</u>	<u>25,768</u>

*Set-off of deferred tax liabilities*

469,073 25,768

*Net deferred tax assets*

- -

**Deferred Tax Liabilities**

Prepayments	(11)	-
Exploration and mine properties	(469,061)	(25,768)
Unearned income	-	-
Net deferred tax liabilities	<u>(469,073)</u>	<u>(25,768)</u>

(d) *Unrecognised temporary differences*

Deductible temporary differences	84,424	3,960
Tax revenue losses	416,882	16,224
Tax capital losses	-	-
Total unrecognised deferred tax assets	<u>501,305</u>	<u>20,184</u>

The corporate tax rates on both recognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the period the deferred tax asset is realised, or the liability is settled.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**11. TRADE AND OTHER PAYABLES**

	30 June 2022	30 June 2021
	\$	\$
Trade and other payables	298,570	144,138
Accruals	15,583	10,000
	<b>314,153</b>	<b>154,138</b>

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

**12. PROVISIONS**

	30 June 2022	30 June 2021
	\$	\$
Employee Provisions	<b>20,833</b>	-

**13. CONTRIBUTED EQUITY**

	30 June 2022	30 June 2022
	Number	\$
<b>Fully paid ordinary shares on issue</b>		
<b>Issue Date</b>		
As at 1 July 2021	9,912,501	448,418
Issued 6 July 2021	2,462,500	197,000
Issued 7 July 2021	187,500	15,000
Issued 25 July 2021	3,625,000	530,000
Issued 4 October 2021	375,000	30,000
Issued 4 October 2021 Vendor shares	1,000,000	200,000
Issued 4 October 2021 IPO	25,000,000	5,000,000
Capital Raising Costs	-	(991,824)
<b>As at 30 June 2022</b>	<b>45,562,501</b>	<b>5,428,594</b>

	30 June 2021	30 June 2021
	Number	\$
<b>Fully paid ordinary shares on issue</b>		
<b>Issue Date</b>		
On incorporation 5 February 2021	1	1
Issue of Promoter shares 1 February 2021	4,000,000	4,000
Issue of seed shares in February 2021	2,666,667	213,333
Issue of seed shares in June 2021	3,245,833	259,667
Capital Raising Costs	-	(28,583)
<b>As at 30 June 2021</b>	<b>9,912,501</b>	<b>448,418</b>

**13.(a) Other Equity**

	30 June 2022	30 June 2021
	\$	\$
Application funds received – capital unissued	-	227,000

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**14. RESERVES**

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
Share-Based Payments Reserve	653,966	12,095
<b>Total Reserves</b>	<b>653,966</b>	<b>12,095</b>

**Reconciliation of Share-Based Payments Reserve:**

Opening Balance	12,095	-
Options issued during the year	641,871	12,095
<b>Total Reserves</b>	<b>653,966</b>	<b>12,095</b>

The share-based payments reserve records items recognised as expenses on valuation of employee and consultant share options. Share options are issued for nil consideration. The exercise price of the share options is determined by the Directors in their absolute discretion and set out in the Offer provided that the exercise price is not less than the average Market Price on ASX on the five trading days prior to the day the Directors resolve to grant the Options.

Any options that are not exercised by their expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company. The Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging and Option Exercise Notice accompanied by the payment of the exercise price.

	<b>30 June 2022</b>	<b>30 June 2022</b>
	<b>Number</b>	<b>\$</b>
<b>OPTIONS AS AT 30 JUNE 2022</b>		
Opening balance	3,100,000	\$12,095
Granted during the year	6,112,000	\$641,871
<b>Total options issued</b>	<b>9,112,000</b>	<b>\$653,966</b>

	<b>30 June 2021</b>	<b>30 June 2021</b>
	<b>Number</b>	<b>\$</b>
<b>OPTIONS AS AT 30 JUNE 2021</b>		
Opening balance	-	-
Granted during the period	3,100,000	\$12,095
<b>Total options issued</b>	<b>3,100,000</b>	<b>\$12,095</b>





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**14. RESERVES (continued)**

**Valuation Assumptions**

All options, including related party options were issued using the Black-Scholes option valuation methodology.

Date Granted	Number Of Options	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility	Underlying Share Price	Fair Value Per Options
7 Jul 2021	585,000	\$0.25	7/7/2024	0.80%	100%	\$0.08	\$0.0310
7 Oct 2021	250,000	\$0.25	7/10/2024	0.80%	100%	\$0.20	\$0.1149
7 Oct 2021	5,177,000	\$0.25	7/10/2024	0.80%	100%	\$0.20	\$0.1144

The Broker Options issued to PAC Partner valuation of \$594,993 has been reflected as a cost of capital raising. Along with the introducer options valuation of \$28,720, the consultant options have been expensed for \$12,415 through the Consolidated statement of Profit or Loss and Other Comprehensive Income

**Share Options**

At 30 June 2022, Recharge Metals Limited had on issue 9,112,000 options.

Date Issued	Details	Expiry Date	Exercise Price	Number under Option
13/02/2021	Unlisted	13/02/2024	\$0.25	3,000,000
13/02/2021	Unlisted	13/02/2024	\$0.25	100,000
7/07/2021	Unlisted	7/07/2024	\$0.25	585,000
7/10/2021	Unlisted	7/10/2024	\$0.25	250,000
7/10/2021	Unlisted	7/10/2024	\$0.25	5,177,000
				9,112,000

**15. RELATED PARTY DISCLOSURES**

The aggregate compensation made to directors and other members of Key Management Personnel of the Consolidated Entity is set out below:

	30 June 2022	30 June 2021
	\$	\$
Short-term employee benefits	341,667	-
Post-employment benefits	-	-
Share-based payments	-	-
	<b>341,667</b>	<b>-</b>

**Amounts Payable to Related Parties**

Spey Holdings Pty Ltd, a company which Mr Brett Wallace is a director of, supplied equipment hire to the value of \$9,975. Lugard Consulting Pty Ltd, a company of which Simon Andrew is a director, provided field hand services to the value of \$1,000 during the year ended 30 June 2022 (June 2021: Nil).

Other than the abovementioned there were no Key Management Personnel related party transactions during the current financial year (2021: Nil).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

#### Capital Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may pay dividends to shareholders, return capital to shareholders, issue new shares or sell assets. During 2022 financial year, the Company's strategy, was to maintain minimum borrowings outside of trade and other payables

#### Risk Exposures and Responses

##### *Interest rate risk*

The Company generates income from interest on surplus funds. At reporting date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	30 June 2022	30 June 2021
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,315,316	55,103
Net exposure	<u>2,315,316</u>	<u>55,103</u>
<b>Financial Liabilities</b>		
Trade and other payables	314,153	154,138
	<u>314,153</u>	<u>154,138</u>

##### *Interest rate sensitivity analysis*

The Company has no material interest rate risk.

##### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash deposits with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the reporting date. The Company considers the credit standing of counterparties when making deposits to manage the credit risk.

##### *Liquidity risk*

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

##### *Fair values*

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 17. COMMITMENTS

	30 June 2022	30 June 2021
	\$	\$
Planned project expenditure commitments contracted for:		
Exploration Permits	690,186	-
	<b>690,186</b>	<b>-</b>
Payable:		
- not later than 12 months	160,000	-
- between 12 months and 5 periods	530,186	-
- more than 5 periods	-	-
	<b>690,186</b>	<b>-</b>

### 18. EVENTS AFTER REPORTING DATE

Subsequent to the year-end, the following material events transpired:

On 14 July 2022, the Company announced the delineation of strong conductors from DHTEM surveying. Details are included in the preceding section.

On 8 August 2022, the Company announced broad zone of copper mineralisation within drillhole BHD026. Significant results are included in the preceding section.

On 7 September 2022, the Company announced the resumption of drilling at Brandy Hill South. RC drilling and diamond drilling was designed to test high-order conductors identified from DHTEM surveying as well as targeting anomalous copper results from previous aircore drilling programs.

On 15 September 2022, the Company announced broad zones of nickel mineralisation in drillholes BHRCD018 and BHRCD019. Significant results are included in the preceding section.

The Company entered into a lease to rent a property at Level 2, 16 Ord Street West Perth WA, signed in July 2022 for three years ending 30 June 2025.

Other than the above, the Company has no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 19. CONTINGENT ASSETS AND LIABILITIES

There were no contingent Assets and Liabilities other than planned project commitments listed in note 17.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**20. CASHFLOW INFORMATION**

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
<b>Reconciliation from the net loss after tax to the net cash flows from operations</b>		
Net profit/(loss) for the period	(1,278,641)	(50,590)
<i>Non-cash</i>		
Amortisation/Depreciation	7,889	66
Share based payment reserve	12,415	12,095
Impairment of exploration and evaluation expenses	126,311	-
<i>Changes in assets and liabilities:</i>		
Trade and other receivables	(293,880)	(3,749)
Trade and other payables	(51,665)	5,198
Provisions	20,833	-
Net cash from operating activities	<b>(1,456,739)</b>	<b>(36,980)</b>



## DIRECTORS' DECLARATION

---

In accordance with a resolution of the Directors of Recharge Metals Limited, I state that:

1. In the opinion of the Directors:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date.
  - (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Simon Andrew'.

**Simon Andrew**  
**Non-Executive Chairman**

Dated this 29 September 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RECHARGE METALS LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Recharge Metals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the period then ended; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Exploration and evaluation assets</b> (Refer to Note 9)</p> <p>At balance date, the Company had exploration and evaluation assets with a carrying amount of \$2,438,686.</p> <p>Exploration and evaluation assets is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Company's financial position; and</li> <li>• The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Company holds an interest and the exploration programs planned for those tenements;</li> <li>• For each area of interest, we assessed the Company's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;</li> <li>• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets;</li> <li>• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> <li>◦ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> <li>◦ substantive expenditure for further exploration in the specific area is neither budgeted or planned</li> <li>◦ decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> <li>◦ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale; and</li> </ul> </li> <li>• Examined the disclosures in the financial report.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Share Based Payments – Note 14</b>	
<p>During the year ended 30 June 2022 the Company incurred share based payments of \$641,871.</p> <p>Share based payments are considered to be a key audit matter due to</p> <ul style="list-style-type: none"> <li>the value of the transactions;</li> <li>the complexities involved in the recognition and measurement of these instruments; and</li> <li>the judgement involved in determining the inputs used in the valuations.</li> </ul>	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> <li>Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with <i>AASB 2 Share Based Payments</i>;</li> <li>Evaluating valuation models and assessing the assumptions and inputs used;</li> <li>Assessing the amount recognised during the period in accordance with the vesting conditions of the agreements;</li> </ul> <p>Assessing the adequacy of the disclosures included in Note 14 to the financial statements.</p>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.



In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 29<sup>th</sup> day of September 2022  
Perth, Western Australia



## ASX SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 21 September 2022.

### Voting Rights

#### *Ordinary Shares*

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### *Options*

No voting rights.

### Distribution of Equity Security Holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	30	10,562	0.02%
above 1,000 up to and including 5,000	205	598,089	1.31%
above 5,000 up to and including 10,000	138	1,179,415	2.59%
above 10,000 up to and including 100,000	316	12,462,988	27.35%
above 100,000	74	31,311,447	68.72%
Totals	763	45,562,501	100.00%

### Unmarketable Parcel of Ordinary Shares

	Minimum Parcel Size	Holders	Units
Minimum \$500 parcel at \$0.1800 per unit	2,778	137	221.252



## ASX SHAREHOLDER INFORMATION

### Top 20 Largest Shareholders

Position	Name	Units	% Units
1	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,322,500	5.10
2	PAMPLONA OPPORTUNITIES LTD	2,270,000	4.98
3	SPEY HOLDINGS PTY LTD <BRETT WALLACE FAMILY A/C>	1,562,500	3.43
4	SIMON ANDREW	1,500,000	3.29
4	ICE COLD INVESTMENTS PTY LTD	1,500,000	3.29
6	MR MARTIN MONTULL	1,400,000	3.07
7	MR TIMOTHY WONG <EST HELEN KWAN FONG LAU A/C>	1,100,000	2.41
8	PAMPLONA CAPITAL PTY LTD	1,070,000	2.35
9	FELICITY REPACHOLI-MUIR	1,062,500	2.33
10	MR STEPHEN JAMES GLADWIN-GROVE	1,060,000	2.33
11	LICOGRAPH PTY LTD	1,000,000	2.19
12	KALE CAPITAL CORPORATION LIMITED	679,941	1.49
13	ZERRIN INVESTMENTS PTY LTD	640,879	1.41
14	GEMMA MOLTONI	625,000	1.37
14	SUMITA PTY LTD <PHILIP MEAGHER A/C>	625,000	1.37
16	LUNAR CO PTY LTD <H&A DORSCH FAMILY A/C>	542,100	1.19
17	MR DAVID SEAN SLOANE	510,000	1.12
18	MR BRENT DAVID COXON <SOKAN DISC A/C>	500,000	1.10
18	TRDJS PTY LIMITED <DD FAMILY A/C>	500,000	1.10
20	MR PAUL ANTHONY HENRY	487,500	1.07

**Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)** **20,957,920** **46.00**

**Total Remaining Holders Balance** **24,604,581** **54.00**

### Securities exchange listing

The Company is listed on the Australian Securities Exchange under **REC** ASX code.

### Address

The address of the principal place of business in Australia is Level 2 16 Ord Street West Perth WA 6005, and its registered office is Level 8, 216 St Georges Terrace Perth WA 6000.

### Option Equity Securities as at 21 September 2022

Total options on issue 9,112,000

## ASX SHAREHOLDER INFORMATION

### Interest in Exploration Tenements as at 30 June 2022

Tenement	Status	Project	Location	Ownership
E59/2181	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E59/2560	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E59/2587	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E59/2588	LIVE	BRANDY HILL SOUTH	Yalgoo	100
P59/2182	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E59/2636	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E59/2647	LIVE	BRANDY HILL SOUTH	Yalgoo	100
E70/5747	LIVE	TAMPIA EAST	Hyden	100
E80/5574	PENDING	BOHEMIA	Kimberley	100
E80/5575	PENDING	BOHEMIA	Kimberley	100
E80/5576	PENDING	BOHEMIA	Kimberley	100