

RECHARGE METALS LIMITED

ACN 647 703 839

FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2022

Corporate Directory

Board of Directors

Simon Andrew – Non-Executive
Chairman

Felicity Repacholi-Muir – Managing
Director

Amanda Burgess – Non-Executive
Director

Registered and Principal Office

Level 8, London House

216 St Georges Terrace

Perth Western Australia 6000

Telephone: +61 (8) 9481 0389

Facsimile: +61 (8) 9463 6103

Website: www.rechargemetals.com.au

Share Registry

Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Tce

Perth WA 6000

Telephone 1300 787 272

Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco Western Australia 6008

Bankers

National Australia Bank Limited

Ground Floor, 100 St Georges Terrace

Perth Western Australia 6000

Stock Exchange

Australian Securities Exchange Limited

ASX Code: REC

Legal Advisors

Steinepreis Paganin

Level 4 The Read Buildings

16 Milligan Street

Perth Western Australia 6000



TABLE OF CONTENTS

Directors' Report	3
Auditor's Independence Declaration	8
Condensed Consolidated Statement Profit and Loss and Other Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	11
Condensed Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	18
Independent Auditor's Review Report	19



DIRECTORS' REPORT

The Directors present their report together with the financial statements of Recharge Metals Limited (referred to hereafter as "the Company") for the half year ended 31 December 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

Ms Felicity Repacholi-Muir – Managing Director (appointed 10 March 2023, Interim Executive Director from 29 November 2022 to 10 March 2023, Non-Executive Director 17 February 2021- 29 November 2022)

Ms Amanda Burgess – Non-Executive Director (appointed 23 January 2023)

Mr Brett Wallace – Managing Director (resigned 23 January 2023)

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

During the period the Group has continued exploring its Brandy Hill South Project.

Operating Results for the Period

The operating result of the Company for the reporting period was a loss of \$525,954 (2021: \$947,664).

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 period.

Review of Operations

Exploration

Recharge's exploration activities during the half year period were focused on progressing the Brandy Hill South Project. The Brandy Hill South Project is located within the Archaean Gullewa Greenstone Belt in Western Australia. The Project is located approximately 50km northeast of the townsite of Morawa and approximately 25km south of Silverlake Resources Limited's (ASX:SLR) Deflector Operation.

Exploration activities during the period included diamond drilling, Reverse Circulation (RC) drilling and a field mapping program at the Brandy Hill South Project. Results were also received for downhole geophysical surveying and drilling completed the previous period.

On the 14 July 2022, the Company announced the results from a ground-based geophysical survey program at its Brandy Hill South Project. Down-hole transient electromagnetic (DHTEM) surveying was completed on four (4) drillholes and identified multiple bedrock conductors. The conductors were interpreted and modelled by geophysical consultants, with conductor plates generated for drill targeting.

On the 8 August 2022, the Company announced a copper intersection from diamond drillhole BHD026. The drillhole returned broad zones of copper mineralisation with narrow intercepts of high-grade copper mineralisation.

On the 7 September 2022, the Company announced the commencement of a drilling program. The program comprised a total of eight (8) Reverse Circulation (RC) pre-collar holes and five (5) diamond tails for a total of 2,370.79m.



DIRECTORS' REPORT

On the 13 September 2022, the Company announced encouraging assays from two diamond drillholes, BHRCD018 and BHRCD019. The drillholes intersected the Salt Creek Shear, with both holes intercepting zones of copper mineralisation.

On the 14 October 2022, the Company provided an update on the diamond drilling activities at Brandy Hill South, reporting visual observations from two drillholes, namely BHRCD027 and BHRCD28.

On the 24 October 2022, the Company provided an update on the diamond drilling activities at Brandy Hill South, reporting visual observations from a further two drillholes, namely BHRCD029 and BHRCD30.

On the 22 November 2022, the Company announced assay results from the RC pre-collars and the completion of the diamond drilling program. The pre-collars were not expected to deliver any significant results, however five of the holes produced significant results.

During the half year, the Company also expanded its tenement holding at the Brandy Hill South Project, with the addition of E59/2773.

Corporate

On 28 November 2022, the Company held its Annual General Meeting (AGM), with all proposed resolutions carried on a poll (refer to notice of AGM dated 27 October 2022 and the results of meeting published 28 November 2022 for details).

On 29 November 2022, the Company announced that Mr Brett Wallace, Managing Director, would leave the Company at the end of February 2023. Non-Executive Director Ms Felicity Repacholi-Muir was appointed an interim Executive Director.

Significant Events after Reporting date

Since 31 December 2022, the following events occurred which have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

On 15 March 2023, the Company announced that it had entered into a binding agreement to acquire 100% ownership of 139 mineral claims over two contiguous blocks in the prolific James Bay Region of Québec, Canada, together forming the Express Lithium Project.

The Express Lithium Project covers a significant project area of 73.5km² in the heart of the James Bay Region and is host to several known pegmatite outcrops. The Express Lithium Project is located approximately 12km southeast of Allkem's James Bay Deposit (ASX: AKE; 37.2Mt @ 1.3% Li₂O)¹, 15km northeast of Cygnus Metals' Pontax Lithium Project (ASX: CY5) and is proximate to several other significant lithium deposits.

¹ Probable Ore Reserve of 37.2Mt @ 1.3% Li₂O, See Allkem (ASX: AKE) ASX Feasibility Study announcement released 21 December 2021



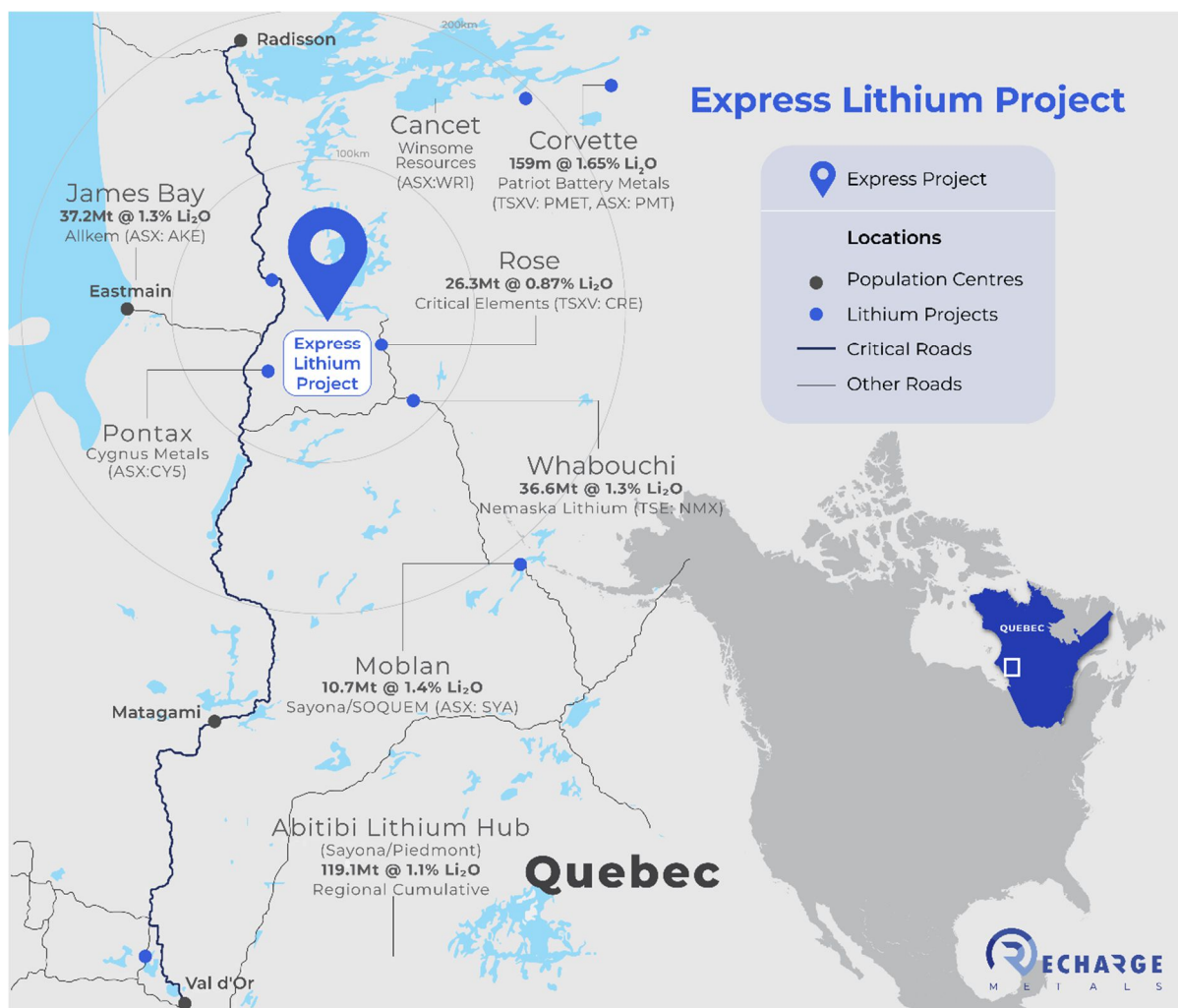


Figure 1: Express Lithium Project location within James Bay Region

Material terms of Acquisition

Recharge has entered into a binding agreement with DG Resource Management, Ikigai Strategic Investments and Hale Court Holdings (**Vendors**) to acquire 100% ownership of 139 mineral claims over two contiguous blocks together comprising the **Express Lithium Project** on the below terms:

- (a) **Consideration:**
- (i) CAD\$250,000;
 - (ii) 22,500,000 fully paid ordinary shares in Recharge and 6,187,500 options to acquire shares in Recharge (exercisable at A\$0.20 each on or before 3 years from the date of issue);
 - (iii) 22,500,000 performance rights vesting into shares in Recharge on a 1:1 basis subject to satisfaction of the following milestones:
 - (A) 5,000,000 vest into shares where Recharge announces results of rock chip sampling undertaken at Express of at least 5 rock chips with grade of at least 1.00% Li₂O within 4 years of completion;
 - (B) 7,500,000 vest into shares where Recharge achieves either (a) a drilled intercept of at least 5m @ 1.00% Li₂O representing lithium mineralisation; or (b) announces a surface channel sample interval of at least 5m of 1.00% Li₂O at Express within 4 years of completion; and
 - (C) 10,000,000 vest into shares where Recharge delineates a JORC compliant Mineral Resource of 10Mt with grade of at least 1.00% Li₂O at Express, as verified by an independent competent person under the JORC Code 2012, within 4 years of completion.



DIRECTORS' REPORT

The issue of the consideration shares, consideration options and performance rights to the Vendors (who are unrelated parties of Recharge) will be subject to shareholder approval in terms of ASX Listing Rule 7.1.

- (b) **Voluntary Escrow:** 35% of the consideration shares will be subject to a voluntary escrow period of 6 months from completion, 40% of the consideration shares will be subject to a voluntary escrow period of 12 months from completion and 25% of the consideration shares will be freely tradeable.
- (c) **Conditions:** Recharge having obtained all necessary shareholder, third-party and regulatory approvals required to complete the Acquisition.
- (d) **GSR Royalty:**
 - (i) Recharge will grant DGRM a 2.75% gross smelter return (GSR) royalty from revenue generated from production at Express effective from completion.
 - (ii) Recharge granted the right to buy-back the royalty from 2.75% to 2.00% for C\$2 million within first 2 years of completion or C\$4 million after the first 2 years of completion.
- (e) **Consulting Agreement:** Recharge will enter into a geological consulting agreement with Dahrouge Geological Consulting Ltd (a related party of DGRM) on reasonable and standard commercial terms.

Share Placement

Recharge will undertake a conditional share placement to raise A\$2.5 million via the issue of 25,000,000 fully paid ordinary shares at an issue price at A\$0.10 per share to sophisticated and professional investors (Placement). The Placement is subject to shareholder approval in terms of ASX Listing Rule 7.1.

Changes in Board of Directors

Executive Director, Ms Felicity Repacholi-Muir was appointed Managing Director of the Company effective from 10 March 2023. Felicity is a professional geologist (BSc, Geol & Soil Sc) and brings extensive experience in mineral exploration and resource development to the Company, having worked with several public and private companies across a 20-year career. Felicity brings significant management experience and is currently a Non-Executive Director of Widgie Nickel Ltd (ASX: WIN).

On the 23 January 2023, the Company appointed Ms Amanda Burgess as Non-Executive Director, with Mr Brett Wallace resigning as a member of the Board of Directors.

Other than the above the Company has no matters or circumstances that have arisen since the end of the financial period 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.

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 period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.



DIRECTORS' REPORT

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:



Simon Andrew

Non-Executive Chairman

Dated this 16th day of March 2023



To the Board of Directors

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

As lead audit director for the review of the financial statements of Recharge Metals Limited for the half-year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 16th day of March 2023
Perth, Western Australia

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 \$
Revenue	4	7,391	959
Depreciation and Amortisation		(71,456)	(7,162)
Corporate compliance expenses		(380,284)	(725,274)
Marketing expenses		(29,310)	(40,024)
Exploration and Evaluation Expenses		(52,295)	(8,717)
Impairment in Tenement		-	(126,311)
Share based payments		-	(41,135)
Profit/(loss) before income tax		(525,954)	(947,664)
Income tax expense			
Net profit/(loss) for the period		(525,954)	(947,664)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(525,954)	(947,664)
Loss per share for the period attributable to the members of Recharge Metals Ltd (cents per share)		(1.15)	(3.08)
Diluted Loss per share for the period attributable to the members of Recharge Metals Ltd (cents per share)		(1.15)	(3.08)

The accompanying notes form part of these financial statements



**CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED AS AT 31 DECEMBER 2022**

	Notes	31 December 2022	30 June 2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	766,896	2,351,316
Trade and other receivables	6	122,795	298,314
TOTAL CURRENT ASSETS		889,691	2,649,630
NON CURRENT ASSETS			
Right-of-use assets		144,107	-
Exploration and Evaluation assets	7	3,552,715	2,438,686
Other non-current assets		22,831	-
TOTAL NON CURRENT ASSETS		3,719,653	2,438,686
TOTAL ASSETS		4,609,344	5,088,316
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	214,122	314,154
Lease liabilities		55,405	-
Provisions		20,833	20,833
TOTAL CURRENT LIABILITIES		290,360	334,987
NON CURRENT LIABILITIES			
Lease liabilities		91,609	-
TOTAL NON CURRENT LIABILITIES		91,609	-
TOTAL LIABILITIES		381,969	334,987
NET ASSETS		4,227,375	4,753,329
EQUITY			
Issued capital	9	5,428,594	5,428,594
Reserves		653,966	653,966
Accumulated losses		(1,855,185)	(1,329,231)
TOTAL EQUITY		4,227,375	4,753,329

The accompanying notes form part of these financial statements



**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Other Equity	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	5,428,594	-	653,966	(1,329,231)	4,753,329
Loss for the period	-	-	-	(525,954)	(525,954)
Other comprehensive income	-	-	-	-	-
	-	-	-	(525,954)	(525,954)
Transactions with equity holders in their capacity as owners					
Balance at 31 December 2022	5,428,594	-	653,966	(1,855,185)	4,227,375
	\$	\$	\$	\$	\$
Balance at 1 July 2021	448,418	227,000	12,095	(50,590)	636,923
Loss for the period	-	-	-	(947,664)	(947,664)
Other comprehensive income	-	-	-	-	-
	-	-	-	(947,664)	(947,664)
Transactions with equity holders in their capacity as owners					
Issue of shares (net of costs)	5,009,741	-	-	-	5,009,741
Application funds received	-	(227,000)	-	-	(227,000)
Share-based payments	-	-	641,871	-	641,871
Balance at 31 December 2021	5,458,159	-	653,966	(998,254)	5,113,871

The accompanying notes form part of these financial statements



**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(528,723)	(1,011,622)
Interest Received		5,379	959
Other Income		2,011	-
Net cash flows used in operating activities		(521,333)	(1,010,663)
Cash flows from investing activities			
Payment for plant and equipment		(42,919)	(7,079)
Payments for project acquisition		-	(16,665)
Payments for exploration and evaluation expenditure		(997,337)	(146,122)
Payment for other financial assets		(22,831)	-
Net cash flows used in investing activities		(1,063,087)	(169,866)
Cash flows from financing activities			
Proceeds from issue of shares in the Company (net of costs)		-	5,162,735
Net cash flows from financing activities		-	5,162,735
Net (decrease)/increase in cash and cash equivalents		(1,584,420)	3,982,206
Cash and cash equivalents at the beginning of the period		2,351,316	55,103
Cash and cash equivalents at the end of the period		766,896	4,037,309

The accompanying notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

This financial report of Recharge Metals Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 16 March 2023.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The general purpose financial statements for the half year period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the Company for the year ended 30 June 2022 together with any public announcements made by the company during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The following are the accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) 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.

(c) Going Concern

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

For the period ended 31 December 2022 the Company incurred a loss of \$525,954 (2021: \$947,664) and outflows from operating and investing activities of \$1,584,420 (2021: \$1,180,529).

The ability of the Company to continue as a going concern is principally dependent on raising capital via a placement as reported to the market. This condition indicates a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

As disclosed in note 9, the Company has announced a placement of \$2,500,000 via the issue of 25,000,000 fully paid ordinary shares at an issue price of \$0.10 per share to acquire the Express Lithium Project and continue to further their current projects. If required, the company can reduce its discretionary spend to enable it to meet its commitments over the next 12 months.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. The directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

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. REVENUE

	31 December 2022 \$	31 December 2021 \$
Revenue		
Interest	5,379	959
Other income	2,012	-
	<hr/> 7,391	<hr/> 959

5. CASH AND CASH EQUIVALENTS

	31 December 2022 \$	30 June 2022 \$
Cash at bank and on hand	756,896	2,341,316
Short Term Deposit	10,000	10,000
	<hr/> 766,896	<hr/> 2,351,316

6. TRADE AND OTHER RECEIVABLES

	31 December 2022 \$	30 June 2022 \$
GST Receivable	91,179	281,124
Prepayments	31,616	10,775
Other	-	6,415
	<hr/> 122,795	<hr/> 298,314



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

7. EXPLORATION AND EVALUATION ASSETS

	31 December 2022 \$	30 June 2022 \$
Opening Balance	2,438,686	731,441
Project acquisition	-	237,408
Impairment of Tenements	-	(126,311)
Exploration expenditure capitalised	1,114,029	1,569,146
Carrying amount at balance date	3,552,715	2,438,686

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. Other than mentioned, above no such indicators are present at the reporting date.

8. TRADE AND OTHER PAYABLES

	31 December 2022 \$	30 June 2022 \$
Trade and other payables	198,880	298,570
Accruals	15,000	15,583
Credit cards	242	-
	214,122	314,153

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

9. EVENTS AFTER REPORTING DATE

Since 31 December 2022, the following events occurred which have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

On 15 March 2023, the Company announced that it had entered into a binding agreement to acquire 100% ownership of 139 mineral claims over two contiguous blocks in the prolific James Bay Region of Québec, Canada, together forming the Express Lithium Project.

The Express Lithium Project covers a significant project area of 73.5km² in the heart of the James Bay Region and is host to several known pegmatite outcrops. The Express Lithium Project is located approximately 12km southeast of Allkem's James Bay Deposit (ASX: AKE; 37.2Mt @ 1.3% Li₂O), 15km northeast of Cygnus Metals' Pontax Lithium Project (ASX: CY5) and is proximate to several other significant lithium deposits.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

9. EVENTS AFTER REPORTING DATE (CONTINUED)

Material terms of Acquisition

Recharge has entered into a binding agreement with DG Resource Management, Ikigai Strategic Investments and Hale Court Holdings (**Vendors**) to acquire 100% ownership of 139 mineral claims over two contiguous blocks together comprising the **Express Lithium Project** on the below terms:

(a) **Consideration:**

- (i) CAD\$250,000;
- (ii) 22,500,000 fully paid ordinary shares in Recharge and 6,187,500 options to acquire shares in Recharge (exercisable at A\$0.20 each on or before 3 years from the date of issue);
- (iii) 22,500,000 performance rights vesting into shares in Recharge on a 1:1 basis subject to satisfaction of the following milestones:
 - (A) 5,000,000 vest into shares where Recharge announces results of rock chip sampling undertaken at Express of at least 5 rock chips with grade of at least 1.00% Li₂O within 4 years of completion;
 - (B) 7,500,000 vest into shares where Recharge achieves either (a) a drilled intercept of at least 5m @ 1.00% Li₂O representing lithium mineralisation; or (b) announces a surface channel sample interval of at least 5m of 1.00% Li₂O at Express within 4 years of completion; and
 - (C) 10,000,000 vest into shares where Recharge delineates a JORC compliant Mineral Resource of 10Mt with grade of at least 1.00% Li₂O at Express, as verified by an independent competent person under the JORC Code 2012, within 4 years of completion.

The issue of the consideration shares, consideration options and performance rights to the Vendors (who are unrelated parties of Recharge) will be subject to shareholder approval in terms of ASX Listing Rule 7.1.

- (b) **Voluntary Escrow:** 35% of the consideration shares will be subject to a voluntary escrow period of 6 months from completion, 40% of the consideration shares will be subject to a voluntary escrow period of 12 months from completion and 25% of the consideration shares will be freely tradeable.
- (c) **Conditions:** Recharge having obtained all necessary shareholder, third-party and regulatory approvals required to complete the Acquisition.
- (d) **GSR Royalty:**
 - (i) Recharge will grant DGRM a 2.75% gross smelter return (GSR) royalty from revenue generated from production at Express effective from completion.
 - (ii) Recharge granted the right to buy-back the royalty from 2.75% to 2.00% for C\$2 million within first 2 years of completion or C\$4 million after the first 2 years of completion.
- (e) **Consulting Agreement:** Recharge will enter into a geological consulting agreement with Dahrouge Geological Consulting Ltd (a related party of DGRM) on reasonable and standard commercial terms.

Share Placement

Recharge will undertake a conditional share placement to raise A\$2.5 million via the issue of 25,000,000 fully paid ordinary shares at an issue price at A\$0.10 per share to sophisticated and professional investors (**Placement**). The Placement is subject to shareholder approval in terms of ASX Listing Rule 7.1.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

9. EVENTS AFTER REPORTING DATE (CONTINUED)

Changes in Board of Directors

Executive Director, Ms Felicity Repacholi-Muir was appointed Managing Director of the Company effective from 10 March 2023. Felicity is a professional geologist (BSc, Geol & Soil Sc) and brings extensive experience in mineral exploration and resource development to the Company, having worked with several public and private companies across a 20-year career. Felicity brings significant management experience and is currently a Non-Executive Director of Widgie Nickel Ltd (ASX: WIN).

On the 23 January 2023, the Company appointed Ms Amanda Burgess as Non-Executive Director, with Mr Brett Wallace resigning as a member of the Board of Directors.

Other than the above the Company has no matters or circumstances that have arisen since the end of the financial period 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.

10. Contingent Liabilities

There have been no additional contingent liabilities or contingent assets recognised since the end of the previous annual reporting period, 31 December 2022.

11. Project Expenditure commitments

	31 December 2022 \$	30 June 2022 \$
Expenditure commitments contracted for:		
Exploration Permits	<u>1,494,268</u>	<u>690,186</u>
Payable:		
- not later than 12 months	348,432	160,000
- between 12 months and 5 years	1,145,836	530,186
- more than 5 years	-	-
	<u>1,494,268</u>	<u>690,186</u>



DIRECTORS' DECLARATION

The Directors of the Company declare that:

The financial statements and notes, are in accordance with the Corporations Act 2001 and:

- a) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

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



Simon Andrew
Non-Executive Chairman

Dated this 16th day of March 2023



To the Board of Directors

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

As lead audit director for the review of the financial statements of Recharge Metals Limited for the half-year ended 31 December 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 16th day of March 2023
Perth, Western Australia

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

Conclusion

We have reviewed the accompanying half-year financial report of Recharge Metals Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) in the half year financial report, which indicates that the Company incurred a net loss of \$525,954 during the half year ended 31 December 2022. As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated the 16th day of March 2023
Perth, Western Australia