



ACN: 647 703 839

**Financial Report
for the Half Year Ended 31 December 2021**



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CORPORATE DIRECTORY

RECHARGE METALS LIMITED CORPORATE DIRECTORY

Directors**Non-Executive Chairman**

Mr Simon Andrew

Managing Director

Mr Brett Wallace

Non-Executive Director

Ms Felicity Repacholi-Muir

Joint Company Secretary

Mr Alan Armstrong

Ms Amanda Burgess

Registered and Principal Office

Level 11

216 St Georges Terrace

Perth Western Australia 6000

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Website www.rechargemetals.com.au

Legal Advisors

DLA Piper Australia

Level 21, 240 St Georges Tce

Perth Western Australia 6000

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

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



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 2021.

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 (appointed 5 Feb 2021)

Mr Brett Wallace – Managing Director (appointed 5 Feb 2021)

Ms Felicity Repacholi-Muir – Non-Executive Director (appointed 17 Feb 2021)

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 commenced exploring at Brandy Hill South Project.

Operating Results for the Period

The operating result of the Company for the reporting period was a loss of \$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

During the half 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

Exploration commenced immediately on 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 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.

During the half year the Company completed reprocessing of geophysical data collected from previous surveys over the Brandy Hill Project, three conductive plates were identified and modelled from this reprocessing. Recharge completed seven (7) holes, totaling 1,193m, in November and December 2021.

Significant Events after Reporting date

The Hyden Option Agreement expired in January 2022 and was not exercised.

After the half year end a further thirteen (13) holes on E59/2181, utilising a Schramm 660 RC drill rig were completed in January 2022, totaling 2,181m.

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.

DIRECTORS REPORT

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.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick 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 15 day of March 2022

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 2021, 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


DOUG BELL CA
Director

Dated this 15th day of March 2022
Perth, Western Australia



**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	31 December 2021	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,037,309	55,103
Trade and other receivables	6	150,245	4,517
TOTAL CURRENT ASSETS		4,187,554	59,620
NON CURRENT ASSETS			
Exploration and Evaluation assets	7	1,163,944	731,441
TOTAL NON CURRENT ASSETS		1,163,944	731,441
TOTAL ASSETS		5,351,498	791,061
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	237,627	154,138
TOTAL CURRENT LIABILITIES		237,627	154,138
TOTAL LIABILITIES		237,627	154,138
NET ASSETS		5,113,871	636,923
EQUITY			
Issued capital	9	5,458,159	448,418
Other capital		-	227,000
Reserves		653,966	12,095
Accumulated losses		(998,254)	(50,590)
TOTAL EQUITY		5,113,871	636,923

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Issued Capital	Other Equity	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
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



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees		(1,011,622)
Interest Received		959
Net cash flows from operating activities		<u>(1,010,663)</u>
Cash flows from investing activities		
Payment for plant and equipment		(7,079)
Payments for project acquisition		(16,665)
Payments for exploration and evaluation expenditure		(146,122)
Net cash flows from investing activities		<u>(169,866)</u>
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		<u>5,162,735</u>
Net increase in cash and cash equivalents		3,982,206
Cash and cash equivalents at the beginning of the period		55,103
Cash and cash equivalents at the end of the period		<u>4,037,309</u>

The accompanying notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

This financial report of Recharge Metals Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 15 March 2022.

Recharge Metals Limited is a public listed company, incorporated and domiciled in Australia. The Company was incorporated on 5 February 2021 and as such there are no comparatives for the period ended 31 December 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The general purpose financial statements for the half year period ended 31 December 2021 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	31 December 2021
	\$
Revenue	
Interest	959

5. CASH AND CASH EQUIVALENTS

	31 December 2021	30 June 2021
	\$	\$
Cash at bank and on hand	4,027,309	55,103
Term Deposit	10,000	-
	4,037,309	55,103

6. TRADE AND OTHER RECEIVABLES

	31 December 2021	30 June 2021
	\$	\$
GST Receivable	114,418	4,517
Prepayments	35,142	-
Other	685	-
	150,245	4,517

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

7. EXPLORATION AND EVALUATION ASSETS

	31 December 2021	30 June 2021
	\$	\$
Opening Balance (i)(ii)	731,441	637,740
Project acquisition (iii)(iv)	237,409	-
Impairment of Tenements (v)	(126,310)	-
Exploration expenditure capitalised	321,404	93,701
Carrying amount at balance date	1,163,944	731,441

- (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. Stamp duty of \$127,391 relates to the transaction.
- (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
- \$85,494 option fee paid for E70/5003 within the half year period
 - 6,000,000 shares in the Company to be issued upon exercise of the agreement by the Company.
 - Expires in 6 months if not exercised
 - 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. Other than mentioned, above no such indicators are present at the reporting date.

8. TRADE AND OTHER PAYABLES

	31 December 2021	30 June 2021
	\$	\$
Trade and other payables	217,210	144,138
Accruals	10,000	10,000
Employee Provisions	10,417	-
	237,627	154,138

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

9. CONTRIBUTED EQUITY

**31 December
2021**

\$

Ordinary shares

Issued and fully paid		45,562,501
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	No.	\$
Movement in ordinary shares on issue		
Opening Balance 30 June 2021	9,912,501	448,418
Issue of seed shares on 6 July 2021	2,462,500	197,000
Issue of seed shares on 20 July 2021	6,625,000	530,000
Issue of IPO Shares on 9 Oct 2021	25,000,000	5,000,000
Issue of share for Promotion on 9 Oct 2021	187,500	15,000
Issue of share to Lead Manager on 9 Oct 2021	375,000	30,000
Issue of share to Vendor on 9 Oct 2021	1,000,000	200,000
Transaction costs		(962,259)
At 31 December 2021	45,562,502	5,458,159

**30 June
2021**

\$

Ordinary shares

Issued and fully paid		9,912,501
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	No.	\$
Movement in ordinary shares on issue		
On incorporation 5 February 2020	1	1
Issue of Promoter shares	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
Transaction costs	-	(28,583)
At 30 June 2021	9,912,501	448,418



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

10. OPTIONS

At 31 December 2021, Recharge Metals Limited had 9,112,000 options on issue exercisable at \$0.25c, expiring three years from the issue. The following options were issued during the period:

1. 5,177,000 options were issued, exercisable at \$0.25c and expiring three years from the date of issue being 3 October 2024 to Lead Manager Pac Partners for IPO services
2. 835,000 options were issued, exercisable at \$0.25c and expiring three years from the date of issue being 7 July 2024 to Management and Associates.

Share Based Payments

During the period the Company issued 6,012,000 options over unissued shares with an exercise price of \$0.25 with various expiry dates.

The following were issued to and are escrowed for 24 months from the date of issue:

	<i>Number of options</i>	<i>Exercise price</i>	<i>Expiry date</i>
<i>Management and Associates</i>	835,000	\$0.25	7/07/2024
<i>Pac Partners</i>	5,177,000	\$0.25	3/10/2024
<i>Total</i>	6,012,000		

The fair value of the share based payment was based on the value of options issued as the value of services not reliably measurable.

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 INTERE ST RATE	VOLATILITY	UNDERLYING SHARE PRICE	FAIR VALUE PER OPTIONS
7 JULY 2021	585,000	\$0.25	7/07/2024	0.80%	100%	\$0.08	\$0.0147
7 JULY 2021	250,000	\$0.25	7/7/2024	0.80%	100%	\$0.20	\$0.0147
7 OCTOBER 2021	5,177,000	\$0.25	3/10/2024	0.80%	100%	\$0.20	\$0.1149

The options valuation of \$41,315 has been expensed through the Statement of Profit or Loss and Other Comprehensive Income along with the Pac Partners options at a valuation of \$594,994, have been offset against share capital as a capital raising cost.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

11. EVENTS AFTER REPORTING DATE

The Hyden Option Agreement expired in January 2022 and was not exercised.

After the half year end a further thirteen (13) holes on E59/2181, utilising a Schramm 660 RC drill rig were completed in January 2022, totaling 2,181m.

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.

12. CONTINGENT LIABILITIES

There have been no additional contingent liabilities or contingent assets recognised since the end of the previous annual reporting period, 30 June 2021

13. PROJECT EXPENDITURE COMMITMENTS

	31 December 2021 \$
Expenditure commitments contracted for:	
Exploration Permits	<u>342,241</u>
Payable:	
- not later than 12 months	100,000
- between 12 months and 5 years	242,241
- more than 5 years	-
	<u>342,241</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 consolidated entity's financial position as at 31 December 2021 and of its performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group 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 15 day of March 2022

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 statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 2021 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.

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 2021 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


DOUG BELL CA
Director

Dated this 15th day of March 2022
Perth, Western Australia