October 2021

Globe Small Cap Research, LLC

Company Report

Argentina Lithium & Energy Corp.

(TSX-V:LIT) (OTCQB:PNXLF) (FSE: OAY3)

Summary of Research Findings

- Junior mineral exploration company focused on acquiring high-quality lithium projects in Argentina and advancing them toward production to meet growing demand from the battery sector
- Exploring the prolific Lithium Triangle, a lithium-rich region in South America that produces roughly half the world's lithium supply
- Current portfolio of properties stands to benefit from high geological potential, high-demand climate
- Recent developments include an LOI to acquire two properties
- Management group has a track record of success in the resource sector of Argentina
- Outlook for lithium market is driven by the global transition to battery-powered electric vehicles (EVs)
- $4+ billion global lithium market expected to register CAGR of 1.9% through 2027
- Argentine government is encouraging renewable energy initiatives

ARGENTINA LITHIUM & ENERGY CORP.

Company Report

Argentina Lithium & Energy Corp.

(TSX-V:LIT)

C$0.27 Per Share
52-week range $0.25-$0.65
Mkt Cap: $12.4 million

(OTCQB:PNXLF)

US$0.22 Per Share

(FSE:OAY3)

US$0.17 Per Share

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Overview

Argentina Lithium & Energy Corp. (TSX-V: LIT) (OTC: PNXLF) is a junior mineral exploration company focused on acquiring high-quality lithium projects in South America. Lithium is an essential component of the batteries that power portable electronic devices such as phones and laptops and is of special importance to changes in the automotive industry. In recent years, more than a dozen countries have pledged to get more electric vehicles (EVs) on the road and automakers are accelerating their production of zero-emission vehicles in response.

As the global transition from gasoline-powered vehicles to EVs heats up, Argentina Lithium aims to advance its projects to meet the growing demand from the battery sector. The Company is positioned to benefit from its growing portfolio of projects in the world-renowned Lithium Triangle in Argentina, where the government has committed to developing domestic lithium resources.

Share Structure

As at August 3, 2021

Share Capital Summary	
Shares Issued	46,017,668
Warrants	18,677,830
Options	4,598,750
Fully Diluted	**69,294,248**

Warrants Out	**18,677,830**	**Avg. Price**	**$0.12**
Warrants Outstanding	Grant Price	Grant Expiry Date	Value if exercised
10,150,000	$0.10	14-Jan-22	$1,015,000
8,484,500	$0.15	14-April-24	$1,272,675
43,330	$0.15	14-April-24	$6,500
18,677,830			**$2,294,175**

Options Out	**4,598,750**	**Avg. Price**	
Options Outstanding	Grant Price	Expiry Date	Value
200,000	$0.15	3-May-22	$30,000
3,175,000	$0.20	9-Jul-26	$635,000
998,750	$2.00	26-Jan-23	$1,997,500
225,000	$0.18	2-Sep-26	$40,500
4,598,750			**$2,703,000**

Source: Argentina Lithium & Energy Presentation

Properties .

Northwestern Argentina makes up part of The Lithium Triangle, which hosts approximately 60% of the known lithium reserves in its salt lake "salar" brines. The area for years has attracted the attention of mining companies, establishing Argentina as one of the top five global producers of lithium.



The Lithium Triangle also offers advantageous infrastructure near rail, water, roads and power, and it is here that Argentina Lithium recognizes its potential.

The Company is focused on advancing its current properties to production, as well as on acquiring prospects with prime exploration assets, favorable infrastructure, and high potential for the discovery of high-grade lithium brines.

Expansion on Par with Potential

As part of its stated growth strategy, Argentina Lithium recently expanded its portfolio and agreed to acquire two prospective properties (Rincon West and Pocitos) located approximately 90km west of San Antonio de los Cobres, the largest town in Argentina's high plain, and approximately 250 km west of the provincial capital city of Salta. The Company intends to fast-track drilling to evaluate and advance these properties.

- **Rincon West -** The 2,370-hectare Rincon West prospect is a single mining concession located on the west side of the Rincon Salar. The property is near the railway and is 17km south of Provincial Route 51, the international road that connects to Chile's coastal ports. Additionally, the InterAndes power corridor runs within one kilometre of the Rincon Salar. While proximity to a discovery, mineral resource or mining operation does not indicate mineralization on Rincon West, it is worth noting that two significant lithium resource development projects on the salar, owned by Rincon Ltd. and Argosy Minerals, have executed demonstration-scale production of lithium carbonate.
- **Pocitos -** The Pocitos prospect is a group of 11 contiguous mining concessions covering 15,857 total hectares, located on the western side of the Pocitos Salar. To the east are the Provincial Route 17 and the natural gas pipeline-fed industrial park at the settlement of Pocitos. The rail line that crosses the middle of the Pocitos property joins Salta with the port of Antofagasta on the Chilean Pacific coast. The present surface expression of the Pocitos Salar is approximately 57km north-south, and between 6-9km east-west. The salt

pan is almost completely flat with portions of the older salar surface covered by talus and alluvial fan. The property has seen modest lithium exploration in the past, including geophysics and surface sampling, with very limited drilling.

Incahuasi Lithium Project, Catamarca Province



Argentina Lithium has a 100% interest in over 25,000 hectares of the Incahuasi salar and basin, an underexplored area that the Company believes offers conditions for quality lithium brines at depth. Approximately 2.5km wide and 17km long running north to south, Salar de Incahuasi is located in a hyper-arid region, receiving on average less than 30 millimetres of rain per year, a necessary condition for the creation of evaporative brines. Access to the salar is through a gravel road from the town of Antofagasta de la Sierra, approximately 34km to the northeast.

The north portion of the salar is partially covered with surface water with evaporate crusts (halite and ulexite) while the southern portion is covered by terrigenous sediments, including sand, clays, halite and sodium-sulphates.

Exploration Program

Argentina Lithium launched its first exploration program at the Incahuasi project in 2017 and completed initial geophysical, surface sampling and drilling programs. Initial sampling of near-surface brines in the southern section in 52 pits returned an average of 62 mg/L of lithium, 4661 mg/L of potassium and 9800 mg/L magnesium, with a maximum value of 409 mg/l lithium and 1.56% potassium from a sample in the central portion of the salar. VES geophysical surveying indicates the potential for lithium-rich brines starting at surface and reaching up to 200 metres depth.

In 2018, the Company completed a 4-hole drill program with 878 metres drilled in total. Halite and deeper clastic sediments were cored in all holes, and each hole encountered lithium-bearing brines. Lithium concentrations were modest but fairly consistent, averaging 109 mg/L in all 54 samples collected and analyzed. The Company did not complete any work on the property in 2020 and relinquished several mineral rights properties covering a portion of the southern half of the salar.

The Company is evaluating the next steps, subject to financing, which could include sampling the northern part of the salar and identifying sub-domains within the salar with higher lithium grades.

Antofalla Project, Salta Province



The Antofalla project includes a 100% interest in approximately 9,000 hectares of mining claims, plus an additional 5380.5 hectares under option, in the north end of the Salar de Antofalla. The salar is more than 130km long and 5-20km wide with reported basin depths of up to 500 metres. The salar is accessible by provincial highway and unpaved roads and occupies a geological environment similar to others in the Puna region where grades of lithium and potash have been found. The discoveries are worth noting, though they do not indicate that Argentina Lithium can expect similar results.

Exploration Program

In 2018, Argentina Lithium completed a geophysical survey and identified high-conductivity targets for drilling at the Antofalla project. The consulting geophysicists recommended reconnaissance drill holes to determine the cause of the conductive anomalies and to test for lithium-bearing brines. With the recent resurgence in interest in the lithium markets, the Company has re-evaluated opportunities and determined that the Salar de Antofalla continues to provide a key opportunity for new lithium resources.

Grosso Group Member

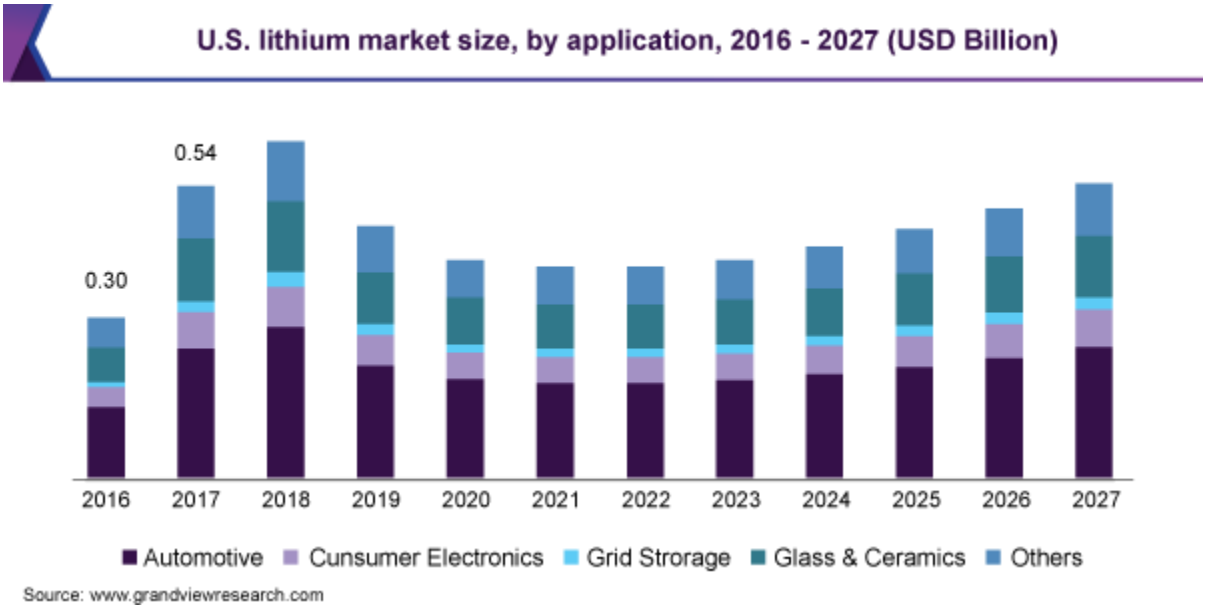
Argentina Lithium & Energy is a member of the Grosso Group, an organization concentrated on mineral exploration in South America. Since 1993, Grosso Group has discovered more than four multi-ounce precious metal deposits in Argentina. The group has built a considerable network of industry and government contacts, thereby providing its member companies an advantage in the acquisition, exploration and development of mineral products.

Grosso Group founder Joseph Grosso is a director of Argentina Lithium & Energy. He is supported by a team of tenured executives with significant mining experience and a strong focus on community relations.

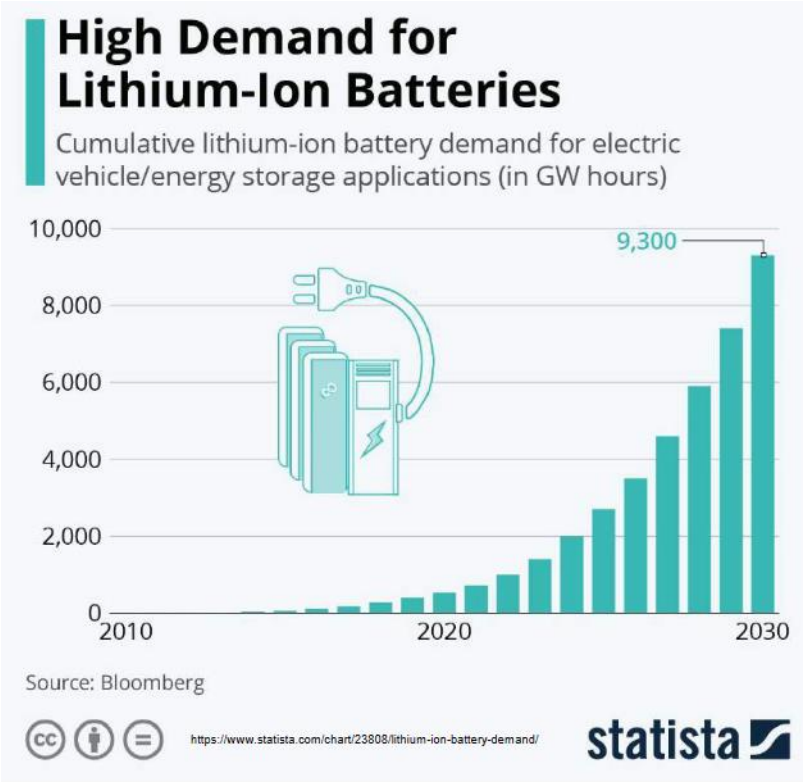
Lithium Market Opportunity

Lithium is a key component used the production of consumer electronics and electric vehicles (EVs). Global interest in thwarting climate change – and in tandem the growing adoption of EVs - continues to accelerate the demand for lithium, with the North America EV market size alone expected to expand at a CAGR of 37.2% from 2021 to 2028.

Globally, demand for lithium is expected to increase more than 50% over the next four years. According to GrandViewResearch, the global lithium market size was valued at USD $4.23 billion in 2019 and is expected to register a compound annual growth rate (CAGR) of 1.9% from 2020 to 2027.



As world leaders huddle to set stringent targets for reducing carbon emissions, U.S.-based Albemarle, the world's top lithium producer predicts a 599% increase in lithium demand for the EV market from 2019 to 2025. Tucked into his Build Back Better agenda, President Joe Biden has called for 50% of all new vehicles sold in 2030 to be zero-emissions vehicles, with battery electric vehicles (BEV) among leading contenders to meet this goal.



Market players are responding. EV automaker Tesla recently said it will move its headquarters from California to Austin, Texas, taking advantage of cheaper labor and more flexible regulation to build a large battery manufacturing complex. The Company plans to double output from its main California factory and Nevada factory.

And with demand on the rise, eyes are on supply. Albemarle said it intends to double the lithium production at its Nevada facility and aligned with industry growth patterns, in September issued guidance for full-year 2022 adjusted core earnings to increase 25-35% year-over-year.

Argentine Opportunity

Among the handful of regions known for large-scale lithium production is the Lithium Triangle of Argentina, Chile and Bolivia. The Argentine government continues to encourage foreign investment and renewable energy initiatives, and it is here that Argentina Lithium sharpens its focus. Of repeatable importance is the Company's standing as a member of the Grosso Group, which has been a pioneer of mineral exploration in Argentina for nearly 30 years.

Earlier this year, Argentine Mining Secretary Alberto Hensel noted that Argentina holds a massive amount of identified lithium resources in 20 projects pegging the geological potential of the country at 350 million tonnes of lithium carbonate. Argentinian President Alberto Fernandez has stated his commitment to developing domestic lithium resources encouraged projects that further develop the country's lithium value chain.

Financial Profile

During the six months ended June 30, 2021, loss from operating activities increased by $192,680 to $329,447 compared to $136,767 in loss from operating activities for the six months ended June 30, 2020. The Company attributes the increase in operating activities primarily to increased spending in corporate development and investor relations, as well as an increase in share-based compensation.

The net loss and comprehensive loss for the six months ended June 30, 2021, was $321,716 or $0.01 per basic and diluted share compared to a net loss and comprehensive loss of $118,328 or $0.00 per basic and diluted share for the six months ended June 30, 2020.

At June 30, 2021, the Company had total assets of $622,248, which is an increase of $534,249 from $87,999 in total assets at December 31, 2020. This increase is primarily due to an increase in cash of $489,322, prepaid expenses of $39,935, and exploration and evaluation assets of $2,982 during the six months ended June 30, 2021.

Selected Quarterly Financial Information

	2021		2020				2019	
	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $	Jun. 30 $	Mar. 31 $	Dec. 31 $	Sep. 30 $
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	(266,196)[1]	(55,520)[2]	(24,247)[3]	(57,496)[4]	(51,663)[5]	(66,665)[6]	(117,195)[7]	(63,211)[8]
Loss per Common Share Basic and Diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)

(1) Variance from prior quarter primarily due to increase in corporate development and investor relations of $166,975, share-based compensation of $21,929, foreign exchange loss of $12,945, and interest income of $12,060.

(2) Variance from prior quarter primarily due to decrease in gain on debt extinguishment of $92,837, impairment of exploration and evaluation assets of $39,411, accounting and audit fees of $21,269, exploration expenditures of $5,054, and corporate development and investor relations of $4,754.

(3) Variance from prior quarter primarily due to decrease in transfer agent and regulatory fees of $5,120, professional fees of $4,716, partially offset by increase in increase in gain on debt extinguishment of $92,837, impairment of exploration and evaluation assets of $39,411, accounting and audit fees of $20,000, and exploration expenditures of $4,094.

(4) Variance from prior quarter primarily due to increase in legal and professional fees of $7,887, transfer agent and regulatory fees of $2,980, partially offset by increase in foreign exchange gain of $6,480 and decrease in exploration expenses of $2,037.

(5) Variance from prior quarter primarily due to decrease in foreign exchange gain of $10,407, office and sundry of $9,922, exploration expenditures of $9,695, legal and professional fees of $6,190, partially offset by increase in accounting and audit fees of $6,600.

(6) Variance from prior quarter primarily due to decrease in accounting and audit fees of $33,600, impairment of exploration and evaluation assets of $25,800, partially offset by increase in foreign exchange gain of $7,354, and corporate development and investor relations of $6,909.

(7) Variance from prior quarter primarily due to increase in accounting and audit fees of $27,000, impairment of exploration and evaluation assets of $25,800, partially offset by decrease in foreign exchange gain of $8,298.

(8) Variance from prior quarter primarily due to an increase in foreign exchange gain of $36,600.

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has an accumulated operating deficit of $28,817,896 and shareholders' equity of $455,239 at June 30, 2021. In addition, the Company has working capital of $409,561 at June 30, 2021 and negative cash flow from operating activities of $378,067. The Company's authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2021

On April 14, 2021, the Company completed a non-brokered private placement financing of 8,484,500 units at a price of $0.09 per unit for gross proceeds of $763,605. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.15 per share for three years from the date of issue, expiring on April 14, 2024. Finder's fees were paid of $3,900 cash and 43,330 non-transferable warrants exercisable into common shares at $0.15 for three years from the date of issue with a fair value of $3,914. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.28%; expected stock price volatility – 152.13%; dividend yield – 0%; and expected warrant life – 1.551 years. During the six months ended June 30, 2021, 2,140,000 warrants were exercised for gross proceeds of $214,000.

BALANCE SHEET

Argentina Lithium & Energy Corp.
(An Exploration Stage Company)
Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2021 $	December 31, 2020 $
ASSETS			
Current assets			
Cash		508,342	19,020
Accounts receivables		3,741	1,731
Prepaid expenses		64,487	24,552
Total current assets		576,570	45,303
Non-current assets			
Exploration and evaluation assets	3	45,678	42,696
Total non-current assets		45,678	42,696
Total Assets		622,248	87,999
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	167,009	205,678
Loans payable	4	-	101,000
Total liabilities		167,009	306,678
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	22,426,511	21,729,538
Reserves	5	6,846,624	6,547,963
Deficit		(28,817,896)	(28,496,180)
Total shareholders' equity (deficiency)		455,239	(218,679)
Total Shareholders' Equity (Deficiency) and Liabilities		622,248	87,999

Management

Nikolaos Cacos, M.I.M. - President & CEO, Director

Nikolas Cacos brings over 25 years of management and advisory expertise in the mineral exploration industry. He has worked with Grosso Group since inception and serves as senior level executive for all the member companies. Cacos' career includes administration and strategic planning for public companies. He currently serves as an officer and director of several companies listed on the TSX Venture Exchange. He holds a Master of International Management

degree from Heidelberg, Germany and a Bachelor of Science degree from the University of British Columbia.

Miles Rideout - Vice President Exploration

Miles Rideout has 34 years of experience in advanced exploration practice, responsible business management, scientific team building, and mining integration with local communities and indigenous peoples. In recent positions, Rideout has directly managed the acquisition and exploration of dozens of lithium properties in northern Argentina. Previously he served five years as CEO of Latin American Minerals, Inc. (TSX VENTURE:LAT), advancing gold and diamond projects in Paraguay, and 23 years with Quantec Geoscience, Inc., where he initiated operations in South America and managed subsidiaries in several countries. He has experience in mine permitting, financing, construction, and operations (implemented the first operating mine in Paraguay). In addition, Rideout has deep expertise with all major geophysical technologies applied within the mining industry, and decades of experience working with many of the most successful exploration teams in South America. He participated in the discovery of several world-class deposits including the Collahuasi and Ujina copper-porphyry deposits, Veladero epithermal gold deposit, and Navidad VMS/epithermal silver deposit. Rideout holds a Bachelor of Science with Honors Certificate in Geophysics, from the University of Western Ontario (1987). Fluent in English and Spanish, he has lived in Mendoza, Argentina for more than 20 years.

Connie Norman - Corporate Secretary

Connie Norman is a senior corporate officer with over 18 years of experience within the public company sector providing Corporate Secretarial and Regulatory Compliance services. While her primary focus has been on TSX Venture listed issuers, she has also worked with companies listed on the TSX and HKEx.

Darren C. Urquhart, CPA, CA - Chief Financial Officer

Darren Urquhart is a chartered professional accountant with twenty years of experience working in public practice and industry. Urquhart operates his own public practice accounting firm offering chief financial officer and accounting services to TSX Venture Exchange listed companies in Vancouver. He has also served as director for some of his corporate clients. Urquhart began his career working as an audit accountant with Grant Thornton LLP, then later worked as a senior tax accountant with Lohn Caulder Chartered Accountants. Urquhart obtained his chartered accountant designation in 2001 and is a member of the Chartered Professional Accountants of British Columbia. In 1995, Urquhart graduated from the University of British Columbia with a Bachelor of Applied Science in electrical engineering.

Joseph Grosso - Director

Joseph Grosso became one of the early pioneers of the mining sector in Argentina in 1993 when mining was opened to foreign investment, and was named Argentina's 'Mining Man of The Year' in 2005. His knowledge of Argentina was instrumental in attracting a premier team which led to

the acquisition of key properties in Golden Arrow's portfolio. He has successfully formed strategic alliances and negotiated with mining industry majors such as Barrick, Teck, Newmont, Viceroy (now Yamana Gold) and Vale S.A., and government officials at all levels. Mr. Grosso's specialty is financing, negotiations, corporate and marketing strategy, and he was an early and passionate adopter of best practices in environmental protection and socio-economic development through mineral exploration. He is the founder and president of Grosso Group Management Ltd.

John Gammon - Director

Dr. John Gammon has 40 years of experience in mineral exploration and management, including international positions with Falconbridge, Assistant Deputy Minister Mines and Minerals with the Government of Ontario and, since his retirement, as ADM as a consultant working with industry, governments and universities. In addition to Dr. Gammon's mineral exploration experience he has also spent a significant amount of time on aboriginal community and environmental issues. His knowledge of the Spanish language and South American culture and societies brings a depth, in addition to his industry experience, that can assist the Company with the advancement of its projects in Argentina.

Dr. David Terry – Qualified Person

Dr. David Terry is a professional economic geologist with more than 30 years of international experience in the mineral resources sector, including lithium exploration projects.

Investment Considerations

- Company is actively focused on acquiring high-quality lithium projects in South America and advancing them toward production to meet growing demand from the battery sector
- Current portfolio of properties stands to benefit from high geological potential, high-demand climate
- Recent announcement to acquire two properties adds weight to the Company’s potential
- All of the properties are located in the prolific Lithium Triangle, a lithium-rich region in South America that produces roughly half the world’s lithium supply
- Company stands to benefit from expertise of the Grosso Group, a management group with a proven history of success in the resource sector of Argentina
- Exploration efforts target the multi-billion lithium market, with rapid growth driven by the global transition to battery-powered electric vehicles (EVs)
- $4+ billion global lithium market expected to register CAGR of 1.9% through 2027
- Argentine government is encouraging renewable energy initiatives, placing the Company in a mining friendly area looking to bolster domestic supply