
Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2019 AND 2018

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2019 \$	December 31, 2018 \$
ASSETS			
Current assets			
Cash		27,112	13,093
Accounts receivables		2,993	2,209
Prepaid expenses		21,798	33,628
Total current assets		51,903	48,930
Non-current assets			
Exploration and evaluation assets	4	99,345	99,345
Total non-current assets		99,345	99,345
Total Assets		151,248	148,275
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	239,954	201,806
Interest payable	5	7,496	1,545
Loans payable	5	469,000	315,000
Total liabilities		716,450	518,351
SHAREHOLDERS' DEFICIENCY			
Share capital	6	21,183,677	21,183,677
Reserves	6	6,366,824	6,366,824
Deficit		(28,115,703)	(27,920,577)
Total shareholders' deficiency		(565,202)	(370,076)
Total Shareholders' Deficiency and Liabilities		151,248	148,275

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 10)

SUBSEQUENT EVENTS (Note 13)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 22, 2019. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2019	2018	2019	2018
		\$	\$	\$	\$
Expenses					
Accounting and audit		1,540	11,520	1,540	11,520
Consulting fees	8	24,000	24,000	48,000	48,000
Corporate development and investor relations		9,817	162,067	23,367	414,497
Depreciation		-	894	-	1,788
Exploration	4	20,629	1,510,847	43,273	1,891,159
Legal and professional fees		5,375	18,480	10,719	23,573
Management fees	8	2,160	45,500	5,460	87,500
Office and sundry	8	4,829	10,836	13,484	35,420
Rent, parking and storage		3,755	3,429	7,292	6,605
Stock-based compensation	6,8	-	-	-	1,241,605
Transfer agent and regulatory fees		8,506	10,999	15,240	29,966
Travel		109	315	109	3,047
Loss from operating activities		80,720	1,798,887	168,484	3,794,680
Other expenses (income)					
Foreign exchange loss		21,049	24,290	20,787	10,460
Interest expense	5	2,992	-	5,951	-
Interest income		(62)	(5,329)	(96)	(14,985)
Other items		23,979	18,961	26,642	(4,525)
Net loss and comprehensive loss		104,699	1,817,848	195,126	3,790,155
Basic and diluted loss per common share	7	0.01	0.02	0.01	0.12

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

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

	Six months ended June 30,	
	2019	2018
	\$	\$
Cash flows from operating activities		
Loss for the period	(195,126)	(3,790,155)
Adjustments for:		
Depreciation	-	1,788
Interest expense	5,951	-
Stock-based compensation	-	1,241,605
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivables	(784)	382
Decrease (increase) in prepaid expenses	11,830	(45,367)
Increase in accounts payable and accrued liabilities	38,148	392
Net cash used in operating activities	(139,981)	(2,591,355)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	-	(172,868)
Net cash used in investing activities	-	(172,868)
Cash flows from financing activities		
Issuance of common shares and warrants for private placements	-	1,690,497
Loans received	154,000	-
Warrants exercised	-	159,000
Share issue costs	-	(76,370)
Net cash generated by financing activities	154,000	1,773,127
Net increase (decrease) in cash during the period	14,019	(991,096)
Cash at beginning of period	13,093	1,883,712
Cash at end of period	27,112	892,616

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Changes in Shareholders' Deficiency

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				Share subscriptions and warrant exercises received	Deficit	Total
	Number of shares ⁽¹⁾	Amount \$	Contributed surplus \$	Equity settled share-based payments \$	Warrants \$	\$			
Balance at December 31, 2017	17,579,992	19,928,411	2,752,754	-	1,751,104	103,500	(19,428,673)	5,107,096	
Private placement	1,355,676	1,171,757	-	-	617,740	(99,000)	-	1,690,497	
Share issue costs	-	(122,732)	-	-	-	-	-	(122,732)	
Agent warrants granted	-	-	-	-	46,362	-	-	46,362	
Warrants exercised	136,250	206,241	-	-	(42,741)	(4,500)	-	159,000	
Stock-based compensation	-	-	-	1,241,605	-	-	-	1,241,605	
Total comprehensive loss for the period	-	-	-	-	-	-	(3,790,155)	(3,790,155)	
Balance at June 30, 2018	19,071,918	21,183,677	2,752,754	1,241,605	2,372,465	-	(23,218,828)	4,331,673	
Warrants and agent warrants expired	-	-	157,170	-	(157,170)	-	-	-	
Return stock to treasury	(468,750)	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	(4,701,749)	(4,701,749)	
Balance at December 31, 2018	18,603,168	21,183,677	2,909,924	1,241,605	2,215,295	-	(27,920,577)	(370,076)	
Total comprehensive loss for the period	-	-	-	-	-	-	(195,126)	(195,126)	
Balance at June 30, 2019	18,603,168	21,183,677	2,909,924	1,241,605	2,215,295	-	(28,115,703)	(565,202)	

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Argentina Lithium & Energy Corp. (the "Company") was incorporated on April 11, 2000 in the Province of British Columbia and was transitioned under the Business Corporations Act (BC) on June 17, 2004. In September 2016, the Company changed its name to Argentina Lithium & Energy Corp. (formerly Iron South Mining Corp.) trading on the TSX-V under the symbol "LIT". The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in the Americas and Argentina. The Company presently has no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as exploration and evaluation assets represent costs incurred to date, less option payment proceeds and amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to condensed consolidated interim financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated operating deficit of \$28,115,703 and shareholders' deficiency of \$565,202 at June 30, 2019. In addition, the Company has working capital deficiency of \$664,547 at June 30, 2019 and negative cash flow from operating activities of \$139,981. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SHARE CONSOLIDATION

On October 10, 2018, the Company received approval from the TSX Venture Exchange to consolidate its total common shares outstanding. Share consolidation has been completed on a one-post consolidation common shares for every four pre-consolidation common shares. All references to number of shares have been retroactively restated.

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Notes to the Condensed Consolidated Interim Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards 34 ‘Interim Financial Reporting’.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”) and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Amera-Chile Sociedad Contractual Minera	Chile	Holding company
Amera Resources (BVI) Inc.	British Virgin Islands	Holding company
Argentina Litio Y Energia S.A.	Argentina	Exploration company
Hierros Del Sur S.A.C.	Peru	Holding company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Financial assets are classified at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Cash is classified as fair value through profit or loss.

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2019. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

IFRS 16 – Leases

4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each exploration and evaluation asset that the Company holds title to as at June 30, 2019 and 2018:

Acquisition Costs

	Argentina			
	Arizaro	Incahuasi	Antofalla	Total
	\$	\$	\$	\$
Balance – December 31, 2017	3,290,265	77,799	-	3,368,064
Additions				
Option payments, staking costs, land payments and acquisition costs	41,677	-	131,191	172,868
Balance – June 30, 2018	3,331,942	77,799	131,191	3,540,932
Additions				
Option payments, staking costs, land payments and acquisition costs	(4,222)	-	147,935	143,713
Impairment of exploration and evaluation assets	(3,327,720)	-	(257,580)	(3,585,300)
Balance – December 31, 2018	-	77,799	21,546	99,345
Balance – June 30, 2019	-	77,799	21,546	99,345

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Expenditures

	Argentina			Total
	Antofalla	Incahuasi	Other	
	\$	\$	\$	\$
Cumulative exploration expenses				
December 31, 2018	26,166	2,390,020	28,431	2,444,617
Expenditures during the period:				
Office	3,331	-	-	3,331
Professional fees	24,094	-	1,012	25,106
Property maintenance payments	20	-	2,683	2,703
Salaries and contractors	5,410	-	-	5,410
Supplies and equipment	7	-	-	7
Transportation	312	-	-	312
Statutory taxes	5,762	-	642	6,404
	38,936	-	4,337	43,273
Cumulative exploration expenses				
June 30, 2019	65,102	2,390,020	32,768	2,487,890

	Argentina			Total
	Antofalla	Arizaro	Incahuasi	
	\$	\$	\$	\$
Cumulative exploration expenses				
December 31, 2017	-	1,607,044	157,207	1,764,251
Expenditures during the period:				
Assays	-	-	31,055	31,055
Drilling	-	-	376,964	376,964
Geophysics	-	34,407	19,958	54,365
Office	669	5,036	39,688	45,393
Professional fees	106	6,261	27,605	33,972
Property maintenance payments	3,130	5,046	38,633	46,809
Salaries and contractors	7	59,107	185,653	244,767
Social and community	251	3,734	43,525	47,510
Supplies and equipment	1,398	56,585	479,918	537,901
Transportation	41	31,055	175,445	206,542
Statutory taxes	917	32,920	232,045	265,882
	6,519	234,151	1,650,489	1,891,159
Cumulative exploration expenses				
June 30, 2018	6,519	1,841,195	1,807,696	3,655,410

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Arizaro Lithium Brine Project

On October 28, 2016, the Company entered into an option agreement to acquire a 100% interest in the Arizaro lithium brine project located on the Arizaro Salar in the Province of Salta, Argentina. This agreement was amended on October 26, 2017. Under the terms of the option agreement, the Company may acquire a 100% interest in the Arizaro project by making cash payments to the vendor totaling US\$6,000,000, incurring exploration expenditures totaling US\$4,200,000 and issuing 2,500,000 common shares of the Company. On November 2, 2016, the Company issued the 2,500,000 common shares, which were restricted from trading and become free trading in four installments of 625,000 shares on December 2, 2017, and November 2, 2018, 2019, and 2020.

Date	Option Payment US\$	Exploration Expenditure Commitments US\$
November 2, 2016 (paid)	300,000	-
May 2, 2017 (paid)	500,000	-
November 2, 2017(paid)	200,000	500,000
December 2, 2017 (paid)	650,000	-
November 2, 2018	1,000,000	1,200,000
November 2, 2019	1,500,000	2,500,000
November 2, 2020	1,850,000	-
	6,000,000	4,200,000

During the year ended December 31, 2018, the Company determined that it would not be exploring the Arizaro property further based on exploration work done to the end of the period. The Company delivered notice to the vendor of its intension to terminate the option agreement, and impaired \$3,327,720 in acquisition costs. The Company also returned 468,750 common shares to treasury that had previously been issued in favor of the vendor.

b) Incahuasi Lithium Project

The Company owns a 100% interest in the Incahuasi lithium brine project totalling 23,700 ha, located in the Catamarca Province, Argentina.

c) Antofalla Lithium Project

On March 8, 2018, the Company entered into a combination of 100% owned property applications and properties with the option to earn 100% through a combination of cash payments and work commitments at the Antofalla lithium brine project totalling 14,000 ha, located in the Salta Province, Argentina. The Company applied for 100% interest in approximately 9,000 hectares of mining claims in the north end of the Salar de Antofalla (“Staked Properties”), all of which have been granted. The Company also entered into an option agreement to earn 100% interest in three additional properties totaling over 5,300 hectares (“Optioned Properties”) situated adjacent to the Staked Properties. Subsequent to December 31, 2018, the Company delivered notice to the vendor of its intension to termination the option agreement, and impaired \$257,580 in acquisition costs for the year ended December 31, 2018.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. LOANS PAYABLE

At June 30, 2019, the Company had the following loans payable:

	June 30, 2019		
	Maturity	Currency	Amount
Unsecured, non-interest bearing (1)	On demand	Canadian dollar	\$31,000
Unsecured, non-interest bearing (2)	On demand	Canadian dollar	\$5,000
Unsecured, non-interest bearing (3)	On demand	Canadian dollar	\$37,000
Unsecured, non-interest bearing (4)	On demand	Canadian dollar	\$15,000
Unsecured, non-interest bearing (5)	On demand	Canadian dollar	\$50,000
Unsecured, non-interest bearing (6)	On demand	Canadian dollar	\$16,000
Unsecured, non-interest bearing (7)	On demand	Canadian dollar	\$50,000
Unsecured, non-interest bearing (8)	On demand	Canadian dollar	\$165,000
Unsecured, 12% annual interest rate (9)	On demand	Canadian dollar	\$100,000
			<u>\$469,000</u>

At December 31, 2018, the Company had the following loans payable:

	December 31, 2018		
	Maturity	Currency	Amount
Unsecured, non-interest bearing (7)	On demand	Canadian dollar	\$50,000
Unsecured, non-interest bearing (8)	On demand	Canadian dollar	\$165,000
Unsecured, 12% annual interest rate (9)	On demand	Canadian dollar	\$100,000
			<u>\$315,000</u>

(1) \$31,000 Unsecured, non-arm's length & non-interest bearing

On June 27, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$31,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(2) \$5,000 Unsecured, non-arm's length & non-interest bearing

On May 28, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$5,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(3) \$37,000 Unsecured, non-arm's length & non-interest bearing

On April 30, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$37,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. LOANS PAYABLE (continued)

(4) \$15,000 Unsecured, non-arm's length & non-interest bearing

On April 17, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$15,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(5) \$50,000 Unsecured, non-arm's length & non-interest bearing

On March 13, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$50,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(6) \$16,000 Unsecured, non-arm's length & non-interest bearing

On January 30, 2019, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$16,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(7) \$50,000 Unsecured, non-arm's length & non-interest bearing

On December 20, 2018, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$50,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(8) \$165,000 Unsecured, non-arm's length & non-interest bearing

On October 2, 2018, the Company entered into a loan agreement with a non-arm's length lender. The principal amount of the loan is \$165,000 and is to be used for working capital purposes and is non-interest bearing. The principal balance of the loan shall become due and payable in full on demand.

(9) \$100,000 Unsecured, 12% annual interest rate & finance expense

On November 14, 2018, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is \$100,000 and is to be used for working capital purposes and bears interest at the rate of 12% per annum. The principal balance of the loan, together with all accrued and unpaid interest thereon shall become due and payable in full on demand. During the six months ended June 30, 2019, the Company accrued \$5,951 in interest expense for this loan.

6. CAPITAL AND RESERVES

Authorized Share Capital

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.

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2019 and 2018

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

Capital Restructuring

On October 10, 2018, the Company received approval from the TSX Venture Exchange to consolidate its total common shares outstanding. Share consolidation has been performed on a one-post consolidation common shares for every four pre-consolidation common shares. All references to common shares, options, and warrants, including comparative periods have been retrospectively restated.

Details of Issues of Common Shares in 2019

During the six months ended June 30, 2019, there were no issuances of shares.

Details of Issues of Common Shares in 2018

On January 23, 2018, the Company completed the second tranche of a non-brokered private placement financing of 1,355,676 units at a price of \$1.32 per unit for gross proceeds of \$1,789,497. 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 \$1.60 per share for two years from the date of issue, expiring on January 23, 2020. The Company is entitled to accelerate the expiry date of the warrants if the 5-day volume weighted average stock price of the Company trades \$2.40 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day after the date of delivery of the notice. Finders' fees were \$76,370 in cash and 57,853 non-transferable warrants exercisable into common shares at \$1.60 for two years from the date of issue subject to accelerated exercise provisions as set out above. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.75%; expected stock price volatility – 134.81%; dividend yield – 0%; and expected warrant life – 1.1 years.

During the year ended December 31, 2018, 136,250 warrants were exercised for gross proceeds of \$159,000. The Company issued 3,750 common shares in connection with 3,750 warrants with an exercise price of \$1.20 per warrant that were exercised for gross proceeds of \$4,500 received prior to December 31, 2017.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, and are subject to a four-month hold period and are generally exercisable for a period of up to five years.

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6. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended June 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018 ⁽¹⁾	Granted	Exercised	Expired	June 30, 2019	Options exercisable
January 26, 2023	\$2.00	1,142,500	-	-	-	1,142,500	1,142,500
		1,142,500	-	-	-	1,142,500	1,142,500
Weighted average exercise price (\$)		2.00		-	-	2.00	2.00
Weighted average contractual remaining life (years)		4.07	-	-	-	3.58	3.58

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

The continuity of share purchase options for the six months ended June 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017 ⁽¹⁾	Granted	Exercised	Expired	June 30, 2018	Options exercisable
January 26, 2023	\$2.00	-	1,142,500	-	-	1,142,500	1,142,500
		-	1,142,500	-	-	1,142,500	1,142,500
Weighted average exercise price (\$)		-	2.00	-	-	2.00	2.00
Weighted average contractual remaining life (years)		-	4.58	-	-	4.58	4.58

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

The weighted average fair value of share purchase options granted during the six months ended June 30, 2019 is \$Nil (2018 - \$1.09).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Six months ended June 30,	
	2019	2018
Risk-free interest rate	-	1.77%
Expected option life in years	-	2.5
Expected share price volatility ⁽¹⁾	-	118%
Grant date share price	-	\$1.72
Expected dividend yield	-	Nil

(1) Expected share price volatility is calculated based on historical trading price.

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6. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the six months ended June 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018 ⁽¹⁾	Granted	Exercised	Expired	June 30, 2019
October 26, 2019	\$1.20	2,279,250	-	-	-	2,279,250
December 20, 2019	\$1.60	1,866,325	-	-	-	1,866,325
January 23, 2020	\$1.60	1,413,529	-	-	-	1,413,529
		5,559,104	-	-	-	5,559,104

Weighted average exercise price (\$) 1.43 - - 1.43

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

2,279,250 warrants that set to expire on October 26, 2018 were extended to October 26, 2019 during the year ended December 31, 2018. These warrants were originally issued on October 26, 2016 as part of the units issued under a private placement completed by the Company in October 2016 and are also subject to an accelerator. The exercise price of the warrants remains at \$1.20.

The continuity of warrants for the six months ended June 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017 ⁽¹⁾	Granted	Exercised	Expired	June 30, 2018
October 26, 2018	\$1.20	2,502,520	-	(136,250)	-	2,366,270
December 20, 2019	\$1.60	1,866,325	-	-	-	1,866,325
January 23, 2020	\$1.60	-	1,413,529	-	-	1,413,529
		4,368,845	1,413,529	(136,250)	-	5,646,124

Weighted average exercise price (\$) 1.36 1.60 1.20 - 1.43

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

7. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the six months ended June 30, 2019 and 2018 were based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Loss attributable to common shareholders (\$)	104,699	1,817,848	195,126	3,790,155
Weighted average number of common shares outstanding	18,603,168	19,234,118	18,603,168	8,230,940

⁽¹⁾ On October 10, 2018, the Company received approval by the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of four (4) pre-consolidation shares for one (1) post-consolidation share. Comparative periods have been retrospectively restated.

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7. BASIC AND DILUTED LOSS PER SHARE (continued)

Diluted loss per share does not include the effect of 1,142,500 (2018 – 1,142,500) share purchase options and 5,559,104 (2018 – 5,646,124) warrants as they are anti-dilutive.

8. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On October 1, 2016, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required.

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

	Six months ended June 30,	
	2019	2018
	\$	\$
Transactions		
Services rendered:		
Grosso Group Management Ltd.		
Management fees	5,460	87,500
Office & sundry	6,185	22,950
Total for services rendered	11,645	110,450

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Vice President of Corporate Development.

	Six months ended June 30,	
	2019	2018
	\$	\$
Transactions		
Share-based compensation	-	1,241,605
Consulting, salaries and professional fees to key management or their consulting corporations:		
Darren Urquhart CFO Salaries and employee benefits	6,000	6,000
David Terry Director/Consultant Salaries and employee benefits	24,000	24,000
SMG SRL ⁽¹⁾ Exploration	-	27,925
Total for services rendered	30,000	1,299,530

(1) SMG SRL (“SMG”) is a private company controlled by Mr. Nicholas Galli, a director of the Company.

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8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Transactions	Six months ended June 30,	
	2019	2018
	\$	\$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp. ⁽¹⁾	40,958	26,483
Payable to Grosso Group Management Ltd. ⁽²⁾	30,408	-
Payable to Oxbow International Marketing Ltd. ⁽²⁾	6,139	-
Total for amounts payable to related parties	47,097	26,483

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.

(2) A company owned by Joseph Grosso, director of Argentina Lithium & Energy Corporation.

9. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in the Americas and Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2019 and 2018.

The Company's total non-current assets are segmented geographically as follows:

	June 30, 2019	
	Argentina	Total
	\$	\$
Exploration and evaluation assets	99,345	99,345
	99,345	99,345

	December 31, 2018	
	Argentina	Total
	\$	\$
Exploration and evaluation assets	99,345	99,345
	99,345	99,345

10. COMMITMENT

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	6,450	19,350	-	-	-

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is \$1,075 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

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11. SUPPLEMENTARY CASH FLOW

	Six months ended June 30,	
	2019	2018
	\$	\$
Non-cash investing and financing activities:		
Private placement – issuance of warrants	-	617,740
Share issue cost – issuance of warrants to agents	-	46,362
Warrants exercised	-	42,741

12. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, interest payable and loans payable. The fair value of cash, receivables, and accounts payable and accrued liabilities approximates their carrying values due to the immediate or short-term maturity of these financial instruments.

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described below. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At June 30, 2019, the Company's financial instruments measured at fair value are as follows:

	\$	Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount	Fair value		
	June 30, 2019	June 30, 2019		
Recurring measurements				
Financial Assets				
Cash	27,112	27,112	-	-

At December 31, 2018, the Company's financial instruments measured at fair value are as follows:

	\$	Level 1	Level 2	Level 3
		\$	\$	\$
	Carrying amount	Fair value		
	December 31, 2018	December 31, 2018		
Recurring measurements				
Financial Assets				
Cash	13,093	13,093	-	-

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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12. FINANCIAL RISK MANAGEMENT (continued)

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by depositing its cash with financial institutions that operate globally.

As the majority of the Company's receivables are with the government of Canada in the form of sales tax, the credit risk is minimal. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and anticipates doing so again in the future. See Note 1 for further information.

Market risk

(i) *Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations in cash, accounts payable and loans payable usually denominated in US Dollars and Argentinean pesos. A 10% change in US dollar and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net and comprehensive loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$2,900.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$800.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument.

Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

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12. FINANCIAL RISK MANAGEMENT (continued)

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the exploration of evaluation and exploration assets and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

To effectively manage the Company's capital requirements, management has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop the project and anticipates doing so again in the future.

The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds.

The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the six months ended June 30, 2019.

Additional information regarding capital management is disclosed in Note 1.

13. SUBSEQUENT EVENTS

Loan Payable

- The Company borrowed \$61,000 from a non-arm's length lender, that is to be used for working capital purposes. The principal balance of the loan is due and payable in full on demand.