Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 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	September 30, 2019 $	December 31, 2018 $
ASSETS			
Current assets			
Cash		3,398	13,093
Accounts receivables		1,788	2,209
Prepaid expenses		12,894	33,628
Total current assets		18,080	48,930
Non-current assets			
Exploration and evaluation assets	4	99,345	99,345
Total non-current assets		99,345	99,345
Total Assets		117,425	148,275
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	220,949	201,806
Interest payable	5	10,889	1,545
Loans payable	5	514,000	315,000
Total liabilities		745,838	518,351
SHAREHOLDERS' DEFICIENCY			
Share capital	6	21,183,677	21,183,677
Reserves	6	6,366,824	6,366,824
Deficit		(28,178,914)	(27,920,577)
Total shareholders' deficiency		(628,413)	(370,076)
Total Shareholders' Deficiency and Liabilities		117,425	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 November 18, 2019. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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 September 30, 2019 $	Three months ended September 30, 2018 $	Nine months ended September 30, 2019 $	Nine months ended September 30, 2018 $
Expenses					
Accounting and audit		-	-	1,540	11,520
Consulting fees	8	24,000	24,000	72,000	72,000
Corporate development and investor relations		8,519	85,409	31,886	499,906
Depreciation		-	894	-	2,682
Exploration	4	21,926	514,626	65,199	2,405,785
Legal and professional fees		3,723	8,828	14,442	32,401
Management fees	8	1,980	36,000	7,440	123,500
Office and sundry	8	4,434	12,156	17,918	47,576
Rent, parking and storage		3,754	3,428	11,046	10,033
Stock-based compensation	6,8	-	-	-	1,241,605
Transfer agent and regulatory fees		7,092	11,391	22,332	41,357
Travel		-	563	109	3,610
Loss from operating activities		75,428	697,295	243,912	4,491,975
Other (income) expenses					
Foreign exchange (gain) loss		(15,551)	61,487	5,236	71,947
Interest expense	5	3,393	-	9,344	-
Interest income		(59)	(1,110)	(155)	(16,095)
Impairment of exploration and evaluation assets		-	3,327,720	-	3,327,720
Other items		(12,217)	3,388,097	14,425	3,383,572
Net loss and comprehensive loss		63,211	4,085,392	258,337	7,875,547
Basic and diluted loss per common share	7	0.00	0.21	0.01	0.42

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2019	2018
	$	$
Cash flows from operating activities		
Loss for the period	(258,337)	(7,875,547)
Adjustments for:		
Depreciation	-	2,682
Interest expense	9,344	3,327,720
Stock-based compensation	-	1,241,605
Changes in non-cash working capital items:		
Decrease in accounts receivables	421	6,778
Decrease in prepaid expenses	20,734	38,407
Increase (decrease) in accounts payable and accrued liabilities	19,143	(35,300)
Net cash used in operating activities	(208,695)	(3,293,655)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	-	(324,176)
Net cash used in investing activities	-	(324,176)
Cash flows from financing activities		
Issuance of common shares and warrants for private placements	-	1,690,497
Loans received	199,000	-
Warrants exercised	-	159,000
Share issue costs	-	(76,370)
Net cash generated by financing activities	199,000	1,773,127
Net decrease in cash during the period	(9,695)	(1,844,704)
Cash at beginning of period	13,093	1,883,712
Cash at end of period	3,398	39,008

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					
	Number of shares[1]	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Share subscriptions and warrant exercises received $	Deficit $	Total $
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	-	(76,370)	-	-	-	-	-	(76,370)
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	-	-	-	-	-	-	(7,875,547)	(7,875,547)
Balance at September 30, 2018	19,071,918	21,183,677	2,752,754	1,241,605	2,372,465	-	(27,304,220)	246,281
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)
Stocks option cancelled/expired	-	-	23,772	(23,772)	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(258,337)	(258,337)
Balance at September 30, 2019	18,603,168	21,183,677	2,933,696	1,217,833	2,215,295	-	(28,178,914)	(628,413)

[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.

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 $28,178,914 and shareholders' deficiency of $628,413 at September 30, 2019. In addition, the Company has working capital deficiency of $727,758 at September 30, 2019 and negative cash flow used in operating activities of $208,695. 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.

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 Charted 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.

(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 September 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	37,455	-	286,721	324,176
Impairment of exploration and evaluation assets	(3,327,720)	-	-	(3,327,720)
Balance – September 30, 2018	-	77,799	286,721	364,520
Additions				
Option payments, staking costs, land payments and acquisition costs	-	-	(7,595)	(7,595)
Impairment of exploration and evaluation assets	-	-	(257,580)	(257,580)
Balance – December 31, 2018	-	77,799	21,546	99,345
Balance – September 30, 2019	-	77,799	21,546	99,345

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Expenditures

	Argentina			
	Antofalla $	**Incahuasi** $	**Other** $	**Total** $
Cumulative exploration expenses December 31, 2018	26,166	2,390,020	28,431	2,444,617
Expenditures during the period:				
Office	5,198	-	-	5,198
Professional fees	38,525	-	1,455	39,979
Property maintenance payments	82	-	4,550	4,632
Salaries and contractors	5,093	-	-	5,093
Supplies and equipment	6	-	-	6
Transportation	748	-	-	748
Statutory taxes	8,513	-	1029	9,543
	58,165	-	7,034	65,199
Cumulative exploration expenses September 30, 2019	84,331	2,390,020	35,465	2,509,816

	Argentina				
	Antofalla $	**Arizaro** $	**Incahuasi** $	**Other** $	**Total** $
Cumulative exploration expenses December 31, 2017	-	1,607,044	157,207	-	1,764,251
Expenditures during the period:					
Assays	-	-	43,799	-	43,799
Drilling	-	-	551,239	-	551,239
Geophysics	1,631	94,161	27,498	-	123,290
Metallurgy and mineralogy	1,160	-	-	10,306	11,466
Office	2,272	6,923	56,107	-	65,302
Professional fees	757	13,662	44,327	821	59,567
Property maintenance payments	3,022	8,000	38,738	-	49,760
Salaries and contractors	133	57,537	223,080	-	280,750
Social and community	4,134	3,764	45,252	-	53,150
Supplies and equipment	7,008	50,857	530,021	-	587,886
Transportation	204	28,285	222,082	-	250,571
Statutory taxes	3,219	41,695	282,328	1,763	329,005
	23,540	1,911,928	2,064,471	12,890	2,405,785
Cumulative exploration expenses September 30, 2018	23,540	1,911,928	2,221,678	12,890	4,170,036

(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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. LOANS PAYABLE

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

	September 30, 2019		
	Maturity	Currency	Amount
Unsecured, 12% annual interest rate (1)	On demand	Canadian dollar	$15,000
Unsecured, non-interest bearing (2)	On demand	Canadian dollar	$30,000
Unsecured, non-interest bearing (3)	On demand	Canadian dollar	$31,000
Unsecured, 12% annual interest rate (4)	On demand	Canadian dollar	$5,000
Unsecured, non-interest bearing (5)	On demand	Canadian dollar	$37,000
Unsecured, non-interest bearing (6)	On demand	Canadian dollar	$15,000
Unsecured, non-interest bearing (7)	On demand	Canadian dollar	$50,000
Unsecured, non-interest bearing (8)	On demand	Canadian dollar	$16,000
Unsecured, non-interest bearing (9)	On demand	Canadian dollar	$50,000
Unsecured, non-interest bearing (10)	On demand	Canadian dollar	$165,000
Unsecured, 12% annual interest rate (11)	On demand	Canadian dollar	$100,000
			$514,000

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

	December 31, 2018		
	Maturity	Currency	Amount
Unsecured, non-interest bearing (9)	On demand	Canadian dollar	$50,000
Unsecured, non-interest bearing (10)	On demand	Canadian dollar	$165,000
Unsecured, 12% annual interest rate (11)	On demand	Canadian dollar	$100,000
			$315,000

(1) $15,000 Unsecured, 12% annual interest rate & finance expense

On August 28, 2019, the Company entered into a loan agreement with an arm’s length lender. The principal amount of the loan is $15,000 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 nine months ended September 30, 2019, the Company accrued $163 in interest expense for this loan.

(2) $30,000 Unsecured, non-arm’s length & non-interest bearing

On July 26, 2019, the Company entered into a loan agreement with a non-arm’s length lender. The principal amount of the loan is $30,000 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) $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.

5. LOANS PAYABLE (continued)

(4) $5,000 Unsecured, 12% annual interest rate & finance expense

On May 28, 2019, the Company entered into a loan agreement with an arm's length lender. The principal amount of the loan is $5,000 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 nine months ended September 30, 2019, the Company accrued $206 in interest expense for this loan.

(5) $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.

(6) $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.

(7) $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.

(8) $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.

(9) $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.

(10) $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.

5. LOANS PAYABLE (continued)

(11) $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 nine months ended September 30, 2019, the Company accrued $8,975 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.

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 nine months ended September 30, 2019, there was no issuance 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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

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.

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

Expiry date	Exercise Price	December 31, 2018[1]	Granted	Exercised	Expired	September 30, 2019	Options exercisable
January 26, 2023	$2.00	1,142,500	-	-	(87,500)	1,055,000	1,055,000
		1,142,500	-	-	(87,500)	1,055,000	1,055,000
Weighted average exercise price ($)		2.00		-	2.00	2.00	2.00
Weighted average contractual remaining life (years)		4.07	-	-	-	3.33	3.33

[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 nine months ended September 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017[1]	Granted	Exercised	Expired	September 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)		-	4.33	-	-	4.33	4.33

[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 nine months ended September 30, 2019 is $Nil (2018 - $1.08).

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

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:

	Nine months ended September 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.

Warrants

The continuity of warrants for the nine months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	December 31, 2018[(1)]	Granted	Exercised	Expired	September 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 nine months ended September 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017[(1)]	Granted	Exercised	Expired	September 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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. BASIC AND DILUTED LOSS PER SHARE

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

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Loss attributable to common shareholders ($)	63,211	4,085,392	258,337	7,875,547
Weighted average number of common shares outstanding	18,603,168	19,071,918	18,603,168	18,948,054

(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.

Diluted loss per share does not include the effect of 1,055,000 (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.

	Nine months ended September 30,	
Transactions	2019 $	2018 $
Services rendered:		
Grosso Group Management Ltd.		
Management fees	7,440	123,500
Office & sundry	7,430	29,850
Total for services rendered	14,870	153,350

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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

			Nine months ended September 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	9,000	9,000
David Terry	Director/Consultant	Salaries and employee benefits	36,000	36,000
SMG SRL(1)		Exploration	-	33,770
Total for services rendered			45,000	1,320,375

(1) SMG SRL ("SMG") is a private company controlled by Mr. Nicolas Galli, who resigned his position as the director of the Company effective on June 18, 2019.

	Nine months ended September 30,	
	2019	2018
Transactions	$	$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.(1)	44,712	37,688
Payable to Grosso Group Management Ltd.(2)	33,794	3,690
Payable to Oxbow International Marketing Ltd.(2)	7,133	-
Total for amounts payable to related parties	85,639	41,378

(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 nine months ended September 30, 2019 and 2018.

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

	September 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

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

10. COMMITMENT

Management Services Agreement

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	3,225	16,125	-	-	-

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.

11. SUPPLEMENTARY CASH FLOW

	Nine months ended September 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
Stock options cancelled/expired	23,772	-
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 September 30, 2019, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount September 30, 2019	Level 1 $	Level 2 $ Fair value September 30, 2019	Level 3 $
Recurring measurements				
Financial Assets				
Cash	3,398	3,398	-	-

12. FINANCIAL RISK MANAGEMENT (continued)

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

	$	Level 1 $	Level 2 $	Level 3 $
	Carrying amount December 31, 2018	Fair value 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.

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.

12. FINANCIAL RISK MANAGEMENT (continued)

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 $1,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $200.

(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.

(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 nine months ended September 30, 2019.

Additional information regarding capital management is disclosed in Note 1.

13. SUBSEQUENT EVENTS

Loan Payable

- The Company borrowed $35,000 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.

Warrants Expired

- 2,279,250 warrants with an exercise price of $1.20 per warrant expired on October 26, 2019.