Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

(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, 2017 $	December 31, 2016 $
ASSETS			
Current assets			
Cash		1,834,025	2,575,961
Accounts receivables		11,375	52,267
Prepaid expenses		19,966	70,121
Total current assets		1,865,366	2,698,349
Non-current assets			
Equipment	3	4,171	6,852
Exploration and evaluation assets	4	2,255,639	1,526,491
Total non-current assets		2,259,810	1,533,343
Total Assets		4,125,176	4,231,692
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	177,527	177,229
Total liabilities		177,527	177,229
EQUITY			
Share capital	5	18,447,572	16,996,990
Reserves	5	3,694,145	3,912,769
Deficit		(18,194,068)	(16,855,296)
Total equity		3,947,649	4,054,463
Total Equity and Liabilities		4,125,176	4,231,692

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 9)

SUBSEQUENT EVENTS (Note 12)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 28, 2017. 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)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2017 $	2016 $	2017 $	2016 $
Expenses					
Accounting and audit		-	-	7,300	160
Corporate development and investor relations		103,099	4,089	391,532	4,751
Depreciation	3	893	-	2,681	-
Exploration	4	173,553	-	604,448	-
Foreign exchange loss (gain)		20,258	(548)	13,114	(1,678)
Legal and professional fees		14,762	39,149	60,693	41,488
Management fees	7	33,000	-	103,500	-
Office and sundry		10,298	419	41,090	792
Rent, parking and storage		3,076	-	9,226	-
Salaries	7	20,000	3,000	56,000	30,000
Stock-based compensation		2,178	-	21,868	-
Transfer agent and regulatory fees		2,767	10,913	31,290	20,234
Travel		-	-	6,945	-
Loss from operating activities		383,884	57,022	1,349,687	95,747
Other expenses (income)					
Finance expense		-	4,000	-	8,600
Interest expense		-	2,694	-	6,077
Interest income		(2,376)	(59)	(10,916)	(99)
Write-off of exploration and evaluation assets	4	1	340,493	1	340,493
Total loss and comprehensive loss		381,509	404,150	1,338,772	450,818
Basic and diluted loss per common share	6	0.01	0.02	0.06	0.04

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)

	Nine months ended September 30,	
	2017	2016
	$	$
Cash flows from operating activities		
Loss for the period	(1,338,772)	(450,818)
Adjustments for:		
Depreciation	2,681	-
Foreign exchange (gain) on loan payable	-	(651)
Finance expense	-	4,600
Interest expense	-	2,326
Stock-based compensation	21,868	-
Write-off of exploration and evaluation assets	1	340,492
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivables and prepaid expenses	91,047	(56,153)
Increase in accounts payable and accrued liabilities	298	74,618
Net cash used in operating activities	(1,222,877)	(85,586)
Cash flows from investing activities		
Expenditures on mineral property interests	(729,149)	-
Net cash used in investing activities	(729,149)	-
Cash flows from financing activities		
Issuance of common shares and warrants for private placement	-	1,300,000
Proceeds from loans payable	-	43,000
Repayment of loans payable	-	(35,000)
Share issue costs	-	(16,750)
Warrants exercised	1,210,090	-
Net cash generated by financing activities	1,210,090	1,291,250
Net (decrease) increase in cash during the period	(741,936)	1,205,664
Cash at beginning of period	2,575,961	7,362
Cash at end of period	1,834,025	1,213,026

SUPPLEMENTARY CASH FLOW INFORMATION (Note 10)

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of shares	**Amount $**	**Contributed surplus $**	**Equity settled share-based payments $**	**Warrants $**	**Deficit $**	**Total $**
Balance at December 31, 2015	8,171,525	14,028,136	2,296,883	30,207	-	(16,103,821)	251,405
Private placement	30,000,000	908,165	-	-	591,835	-	1,500,000
Share issue costs	-	(72,358)	-	-	-	-	(72,358)
Agent's warrants granted	-	-	-	-	55,608	-	55,608
Total comprehensive (loss) for the period	-	-	-	-	-	(450,818)	(450,818)
Balance at September 30, 2016	38,171,525	14,863,943	2,296,883	30,207	647,443	(16,554,639)	1,283,837
Private placement	10,000,000	1,215,778	-	-	784,222	-	2,200,000
Option payment for exploration and evaluation assets	2,500,000	1,125,000	-	-	-	-	1,125,000
Share issue costs	-	(226,887)	-	-	-	-	(226,887)
Agent's warrants granted	-	-	-	-	157,170	-	157,170
Warrants exercised	160,000	19,156	-	-	(3,156)	-	16,000
Total comprehensive (loss) for the period	-	-	-	-	-	(300,657)	(300,657)
Balance at December 31, 2016	50,831,525	16,996,990	2,296,883	30,207	1,585,679	(16,855,296)	4,054,463
Stock options cancelled/expired	-	-	52,075	(52,075)	-	-	-
Warrants exercised	12,100,907	1,450,582	-	-	(240,492)	-	1,210,090
Warrants and agent's warrants expired	-	-	403,796	-	(403,796)	-	-
Stock-based compensation	-	-	-	21,868	-	-	21,868
Total comprehensive (loss) for the period	-	-	-	-	-	(1,338,772)	(1,338,772)
Balance at September 30, 2017	62,932,432	18,447,572	2,752,754	-	941,391	(18,194,068)	3,947,649

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

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 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 $18,194,068 and shareholders' equity of $3,947,649 at September 30, 2017. In addition, the Company has working capital of $1,687,839 at September 30, 2017 and negative cash flow from operating activities of $1,222,877. 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 consolidated 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. 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, 2016, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The policies, significant accounting estimates and judgments applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented unless otherwise noted.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss or available-for-sale 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. The policies applied in these condensed interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented unless otherwise noted.

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
Amera Resources (US) Inc.	United States of America	Exploration 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. EQUIPMENT

	Computer Equipment $	Total $
Cost		
Balance at December 31, 2016	7,150	7,150
Additions	-	-
Balance at September 30, 2017	7,150	7,150
Accumulated Depreciation		
Balance at December 31, 2016	298	298
Depreciation	2,681	2,681
Balance at September 30, 2017	2,979	2,979
Carrying Amount		
At December 31, 2016	6,852	6,852
At September 30, 2017	4,171	4,171

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, 2017 and December 31, 2016:

Acquisition Costs

	Argentina		
	Arizaro $	**Fierro $**	**Total $**
Balance – December 31, 2016	1,526,490	1	1,526,491
Additions			
Option payment	675,800	-	675,800
Mineral rights payments	53,349	-	53,349
Write-off of exploration and evaluation assets	-	(1)	(1)
Balance – September 30, 2017	2,255,639	-	2,255,639

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Expenditures

	Argentina		
	Arizaro **$**	**Incahuasi** **$**	**Total** **$**
Cumulative exploration expenses December 31, 2016	113,710	-	113,710
Expenditures during the period:			
Assays	4,354	12,712	17,066
Geophysics	27,153	-	27,153
Office	34,924	800	35,724
Professional fees	63,704	-	63,704
Property maintenance payments	21,533	1,902	23,435
Salaries and contractors	237,468	16,150	253,618
Social and community	15,481	-	15,481
Supplies and equipment	66,560	103	66,663
Transportation	23,759	13,954	37,713
Value added taxes	63,891	-	63,891
	558,827	45,621	604,448
Cumulative exploration expenses September 30, 2017	672,537	45,621	718,158

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. 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 2,500,000 common shares, which are restricted from trading and will become free trading in installments of 625,000 shares on November 2, 2017, 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(1)	850,000	500,000
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

(1) See Note 12 Subsequent Events for further information.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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) Fierro Property, Rio Negro Province, Argentina

The Company owns a 100% interest in the Fierro property in the Province of Rio Negro, Argentina.

During the year ended December 31, 2016, the Company determined that it would not be exploring the Fierro property further and impaired $340,492 in acquisition costs. During the nine months ended September 30, 2017, the Company impaired the remaining $1 in acquisition costs.

5. 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.

Details of Issues of Common Shares in 2017

During the nine months ended September 30, 2017, 12,100,907 warrants were exercised for gross proceeds of $1,210,090.

Details of Issues of Common Shares in 2016

On August 22, 2016, the Company completed a non-brokered private placement financing of 30,000,000 units at a price of $0.05 per unit for gross proceeds of $1,500,000. 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 $0.10 per share for one year from the date of issue, expiring on August 22, 2017. The units bear a legend for automatic timed release free trading in three installments: (1) 15% of the units four months from the issue; (2) 35% of the units six months from issue; and (3) 50% of the units ten months from the issue. The Company is entitled to accelerate the expiry date of the warrants if the 10-day volume weighted average stock price of the Company trades $0.25 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. Finder's fees were $16,750 in cash and 322,000 non-transferable warrants exercisable into common shares at $0.10 for one year from the date of issue subject to the same legend for automatic timed release free trading and 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 – 0.54%; expected stock price volatility – 97.69%; dividend yield – 0%; and expected warrant life – 0.71 years.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. CAPITAL AND RESERVES (continued)

On October 26, 2016, the Company completed a non-brokered private placement financing of 10,000,000 units at a price of $0.30 per unit for gross proceeds of $2,000,000. 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 $0.30 per share for two years from the date of issue, expiring on October 26, 2018. Finder's fees were $69,617 in cash and 348,085 non-transferable warrants exercisable into common shares at $0.30 for two years from the date of issue, expiring on October 26, 2018. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.56%; expected stock price volatility – 112.77%; dividend yield – 0%; and expected warrant life – 0.84 years.

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, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ cancelled	September 30, 2017	Options exercisable
July 29, 2017	$0.54	100,000	-	-	(100,000)	-	-
March 9, 2020	$0.20	-	250,000	-	(250,000)	-	-
		100,000	250,000	-	(350,000)	-	-
Weighted average exercise price ($)		0.54	0.20	-	0.20	-	-
Weighted average contractual remaining life (years)		0.6	2.69	-	2.44	-	-

The continuity of share purchase options for the nine months ended September 30, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ cancelled	September 30, 2016	Options exercisable
July 29, 2017	$0.54	100,000	-	-	-	100,000	100,000
		100,000	-	-	-	100,000	100,000
Weighted average exercise price ($)		0.54	-	-	-	0.54	0.54
Weighted average contractual remaining life (years)		1.6	-	-	-	0.8	0.8

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the nine months ended September 30, 2017 is as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Forfeited	September 30, 2017
August 21, 2017	$0.10	30,162,000	-	(12,100,907)	(18,061,093)	-
October 26, 2018	$0.30	10,348,085	-	-	-	10,348,085
		40,510,085	-	(12,100,907)	(18,061,093)	10,348,085
Weighted average exercise price ($)		0.15	-	0.10	-	0.30

The continuity of warrants for the nine months ended September 30, 2016 is as follows:

Expiry date	Exercise Price	December 31, 2015	Granted	Exercised	Expired/ Forfeited	September 30, 2016
August 22, 2017	$0.10	-	30,322,000	-	-	30,322,000
		-	30,322,000	-	-	30,322,000
Weighted average exercise price ($)		-	0.10	-	-	0.10

6. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the nine months ended September 30, 2017 and 2016 were based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Loss attributable to common shareholders ($)	381,509	404,150	1,338,772	450,818
Weighted average number of common shares outstanding	53,591,979	20,888,916	23,346,391	12,426,070

Diluted loss per share did not include the effect of Nil (2016 – 100,000) share purchase options and 10,348,085 (2016 – 30,322,000) warrants as they are anti-dilutive.

7. 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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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,	
	2017	2016
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	103,500	-
Information technology	2,100	-
Office & sundry	13,500	-
Total for services rendered	119,100	-

	Three months ended September 30,	
	2017	2016
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	33,000	-
Information technology	900	-
Office & sundry	4,500	-
Total for services rendered	38,400	-

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 Corporate Secretary and Vice President of Corporate Development.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

		Nine months ended September 30,	
		2017	2016
Transactions		$	$
Consulting, salaries and professional fees to key management or their consulting corporations:			
Darren Urquhart	CFO/Corporate Secretary	9,000	3,000
David Terry	Director/Consultant	32,000	-
Daniel Galli	Consultant	43,945	-
Golden Arrow Resources Corp.(1)	Other	165,170	-
SMG SRL(2)	Geological	13,890	-
Total for services rendered		264,005	3,000

(1) A company related by common directors that receives reimbursement for shared office costs and overhead.
(2) SMG SRL ("SMG") is a private company controlled by Mr. Daniel Galli, a geological consultant to the Company, and Mr. Nicholas Galli, a director of the Company.

		Three months ended September	
		2017	2016
Transactions		$	$
Consulting, salaries and professional fees to key management or their consulting corporations:			
Darren Urquhart	CFO/Corporate Secretary	3,000	3,000
David Terry	Director/Consultant	8,000	-
Daniel Galli	Consultant	13,187	-
Golden Arrow Resources Corp.(1)	Other	94,581	-
Total for services rendered		118,768	3,000

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

8. 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, 2017 and 2016.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

8. SEGMENTED INFORMATION (continued)

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

	September 30, 2017		
	Canada $	Argentina $	Total $
Mineral property interests	-	2,255,639	2,255,639
Equipment	4,171	-	4,171
	4,171	2,255,639	2,259,810

	December 31, 2016		
	Canada $	Argentina $	Total $
Mineral property interests	-	1,526,491	1,526,491
Equipment	6,852	-	6,852
	6,852	1,526,491	1,533,343

9. COMMITMENT

Management Services Agreement

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 $13,500 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the remaining term of the Management Services Agreement.

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	40,500	202,500	-	-	-

10. SUPPLEMENARY CASH FLOW

	Nine months ended September 30,	
	2017 $	2016 $
Non-cash investing and financing activities:		
Agent warrants granted	-	55,608
Private placement	-	591,835
Warrants exercised	240,492	-

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

11. 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, accounts payable and accrued liabilities, interest payable and loans payable 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, 2017, the Company's financial instruments measured at fair value are as follows:

	$	Level 1 $	Level 2 $	Level 3 $
	Carrying amount September 30, 2017	Fair value September 30, 2017		
Recurring measurements				
Financial Assets				
Cash	1,834,025	1,834,025	-	-

At December 31, 2016, the Company's financial instruments measured at fair value are as follows:

	$	Level 1 $	Level 2 $	Level 3 $
	Carrying amount December 31, 2016	Fair value December 31, 2016		
Recurring measurements				
Financial Assets				
Cash	2,575,961	2,575,961	-	-

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).

11. FINANCIAL RISK MANAGEMENT (continued)

(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. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the

Canadian dollar and the United States dollar, and between the Canadian dollar and the Argentinean peso as of September 30, 2017 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $15,597.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $8,446.

(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.

11. 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 nine months ended September 30, 2017.

Additional information regarding capital management is disclosed in Note 1.

12. SUBSEQUENT EVENTS

Arizaro Lithium Brine Project

- Subsequent to September 30, 2017, the Company paid USD$850,000 to SMG S.R.L, in accordance with the terms of the Arizaro option agreement. See Note 4a for further information.

Warrants

- 338,000 warrants with an exercise price of $0.30 per warrant were exercised.