

ARGENTINA LITHIUM & ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Introduction

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Argentina Lithium & Energy Corp. ("Argentina Lithium" or the "Company") for the years ended December 31, 2021 and 2020 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of April 5, 2022.

Company Overview

The Company was incorporated on April 11, 2000 and was transitioned under the Business Corporations Act (BC) on June 17, 2004. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company remained without a business asset until March 2003, when the Company negotiated a number of agreements to option and acquire interests in various mineral concessions located in Argentina. In December 2003, the Company completed its initial public offering and commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol "AMS". In December 2008, the Company consolidated its outstanding common shares on a 10 for 1 basis and changed its name to Panthera Exploration Inc. (formerly Amera Resources Corporation) trading on the TSX-V under the symbol "PNX". In January 2012, the Company changed its name to Iron South Mining Corp. (formerly Panthera Exploration Inc.) trading on the TSX-V under the symbol "IS". 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 Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company's material mineral property interests are located in Argentina, and the Company is actively looking for additional exploration projects to acquire and advance in South America. As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

The Company's technical disclosure in this MD&A has been reviewed by David Terry Ph.D., P.Geo, a Qualified Person under NI 43-101.

Argentina

Incahuasi Lithium Project, Catamarca

The Incahuasi Project currently includes a 100% interest in 13,372 hectares of granted mineral rights properties in the Incahuasi Salar and basin in Catamarca Province, Argentina. The Salar de Incahuasi is located in the northwest of Catamarca Province at approximately 3260 metres above sea level, in the southern half of the "Lithium Triangle". Access to the Incahuasi salar is by gravel road, approximately 34 kilometres southwest from the town of Antofagasta de la Sierra. The salar is approximately 17 kilometres long north to south, and 2.5 kilometres wide, and divided into a north and south section. Initial sampling of near-surface brines in the southern section in 52 pits returned an average of 62 mg/L of lithium, 4661 mg/L of potassium and 9800 mg/L magnesium, with a maximum value of 409 mg/l lithium and 1.56% potassium from a sample in the central portion of the salar. VES geophysical surveying indicates the potential for lithium-rich brines starting at surface and reaching up to 200 metres depth.

On January 31, 2018, the Company announced that it had received permits necessary for drilling at Incahuasi and on March 13th announced the start of a 4-hole drill program on the southern part of the salar. On August 24, 2018, the Company announced that the program was complete, with 878 metres drilled in total. Halite and deeper clastic sediments were cored in all holes, and each hole encountered lithium-bearing brines. Lithium concentrations were modest but fairly consistent, averaging 109 mg/L in all 54 samples collected and analyzed. The Company did not complete any work on the property in 2020 or 2021.

During the year ended December 31, 2020, the Company determined that it would not be exploring a portion of its mineral rights, and impaired \$39,411 in acquisition costs.

Due to improved market conditions, the Company plans to restart exploration at the Incahuasi property in 2022, specifically by completing approximately 50 line-km of Transient Electromagnetic soundings to detect & delineate new areas of potential brines for follow-up drill testing.

Antofalla Lithium Project, Salta

On August 4, 2021, the Company announced that it has entered into an option agreement to earn a 100% interest in three granted mine concession properties totaling 5,380 hectares (the “Optioned Properties”) situated adjacent to the Company’s 9,080 hectares of 100% held claims (the “Staked Properties”) on the Salar de Antofalla. The Company previously held an option for these properties, but due to market conditions work was suspended, payments were discontinued and the option earn-in was relinquished (see the year-end Management Discussion and Analysis for 2019, filed on SEDAR). Furthermore, in the same year the Company impaired its exploration costs for the Staked Properties, but has continued to maintain ownership in them. With the recent resurgence in interest in the lithium markets, the Company has re-evaluated opportunities and determined that the Salar de Antofalla continues to provide a key opportunity for new lithium resources.

The Salar de Antofalla is approximately 150 kilometres long and 5-7 kilometres wide, and is located at 3,900 metres elevation. The salar is accessed by Provincial highway 43 and unpaved roads, with the small town of Antofalla approximately 50 kilometres to the south and the city of Salta approximately 500 kilometres away. The geological environment at the Salar de Antofalla is similar to other salars in the Puna region where lithium and potash are found. Reported grades from the salar include 350 mg/l lithium and 6,400mg/l potash¹.

Work by a previous operator on the Optioned Properties included surface sampling of brines at 14 locations in 2017. Brines were sampled at depths to 4 metres, over 7 days, and returned lithium anomalies up to 61.1mg/L.

On August 24, 2018, the Company reported that a CSAMT geophysical survey had been completed to map deeper stratigraphic units and provide additional information on the subsurface in order to delineate drill targets. The survey identified several potential targets with high conductivity in the first 100 metres and moderate conductivity at deeper levels. The consulting geophysicists recommended reconnaissance drill holes to determine the cause of the conductive anomalies and to test for lithium-bearing brines.

The 2022 work plan includes an estimated 35 line-km of Transient Electromagnetic soundings to delineate areas of potential brines, followed by drilling of up to 3 diamond drill holes to log the basin geology and collect brine samples.

Option Terms

Terms of the option include cash payments totaling US\$4,000,000, and annual exploration expenditure commitments totaling \$7,000,000 over 4 years.

Option Payment US\$	Exploration Expenditure Commitments US\$	Year
100,000 (paid)	-	2021
300,000	500,000	2022
400,000	1,500,000	2023
1,700,000	2,000,000	2024
1,500,000	3,000,000	2025
4,000,000	7,000,000	

The vendors retain a 2% Net Smelter Royalty (“NSR”) which Argentina Lithium has the ability to repurchase for US\$5,000,000.

¹ <https://roskill.com/news/lithium-albemarle-expands-argentina/> accessed 3/5/18

Rincon West Project, Salta

The Rincon West Project includes a single mining concession with an area of 2,370 hectares, located on the west side of the Rincon Salar approximately 90 kilometres west of the town of San Antonio de los Cobres, the largest town in Argentina's high plain, and approximately 250 kilometres west of the provincial capital city of Salta. It is close to the railway, and just 17 kilometres south of Provincial Route 51, the international road that connects to Chile's coastal ports. The InterAndes power corridor runs within one kilometre of the Rincon Salar. There are two significant lithium resource development projects on the salar, owned by Rincon Ltd. (www.rinconmining.com) and Argosy Minerals (www.argosyminerals.com.au) both of which have executed demonstration-scale production of lithium carbonate. [Argentina Lithium cautions that proximity to a discovery, mineral resource, or mining operation does not indicate that mineralization will occur on the Company's property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario.]

In 2022 the Company plans to complete 40 line-km of deep-seening Transient Electromagnetic (TEM) soundings to delineate areas of potential brines and map the bottom of the basin. If potential targets are identified with the TEM survey, an estimated 5 diamond drill holes will be drilled to collect brine samples for analysis.

Pocitos Project

The Pocitos Project includes over 26,000 hectares of properties subject to four option agreements. The Pocitos Salar is located approximately 100 kilometres west of the town of San Antonio de los Cobres and approximately 250 kilometres west of the provincial capital city of Salta. The Provincial Route 17 and the natural gas pipeline-fed industrial park at the settlement of Pocitos are located 17 km to the east. The rail line that crosses the middle of the Pocitos West property joins Salta with the port of Antofagasta on the Chilean Pacific coast. The present surface expression of the Pocitos Salar is approximately 57 kilometres north-south, and approximately 10 kilometres east-west. The salt pan is almost completely flat with portions of the older salar surface covered by talus and alluvial fan.

The optioned properties are believed to have had little prior exploration and no drilling with the exception of the group of concessions in the Rincon-Pocitos option which have had modest geophysics and surface sampling, with very limited drilling. In 2022, the Company plans up to 50 line-km of Transient Electromagnetic soundings to detect and delineate brines for testing.

Rincon-Pocitos Option

On October 8, 2021, Argentina Lithium announced that it had signed a definitive agreement with a private vendor to acquire a 100% interest in the 2,370 hectare Rincon West and 15,857 hectare Pocitos projects in Salta Province, Argentina. Terms of the option include issuance of 750,000 shares in the Company to the vendor on signing plus \$500,000 worth of shares over a 12-month period; and cash payments totaling US\$4,200,000 over 36 months, but limited to only US\$1,050,000 in the first 18 months, US\$800,000 of which are firm commitments over the first year.

Option Payments or Firm commitment US\$	Share issuances subject to TSX-V approval C\$	Year
150,000 (paid)	750,000 shares (issued)	2021
250,000 (firm commitment)	\$150,000 (firm commitment)	2022
400,000 (firm commitment)	\$350,000 (firm commitment)	2022
250,000	-	2023
250,000	-	2023
500,000	-	2024
2,400,000	-	2024
4,200,000	\$500,000	

El Pidio Gill and Aguamarga Options

Argentina Lithium can acquire a 100% interest in the 1,602 hectare “El Pidio GIII” property in the southeast of the Pocitos Basin pursuant to an option agreement dated January 3, 2022. The option terms include US\$165,000 in cash payments over three years, including a mandatory total of US\$30,000 over the first 18 months. In addition, 25,000 shares of the Company are to be issued to the vendor on signing, with additional share issuances valued at CAD\$70,000 over the subsequent three years, including mandatory issuances valued at CAD\$25,000 over the first 18 months.

Argentina Lithium can acquire a 100% interest in the Aguamarga 11 and Aguamarga 16 properties, totaling 7,000 hectares in the east flank of the Pocitos Basin pursuant to an option agreement dated January 3, 2022. The option terms include US\$1,890,000 in cash payments over three years, including a mandatory total of US\$105,000 over the first 12 months. In addition, 168,000 shares of the Company are to be issued to the vendor on signing, with additional share issuances valued at CAD\$651,000 over the subsequent three years, including a mandatory issuance valued at CAD\$126,000 after twelve months.

The number of common shares of the Company issuable under the option agreements are calculated based on the discounted market price of the Common Shares on the Exchange on January 9th 2022. All shares issued pursuant to the terms of the option agreements are subject to a hold period under applicable securities laws for a period of four months from the date of issuance.

Ramos Option

The agreement dated January 6, 2022, gives Argentina Lithium the option to earn a 100% interest in five additional properties totaling approximately 1,762 hectares at the Pocitos Salar (“the Ramos Properties”). The option terms include mandatory payments totaling US\$150,000 in the first year, followed by US\$550,000 2 years after signing. The vendor retains a 1% Net Smelter Royalty (“NSR”) which can be purchased by the Company for US\$500,000.

Selected Annual Financial Information

The following selected consolidated financial information is derived from the audited consolidated financial statements and notes thereto.

	Years Ended December 31,		
	2021 \$	2020 \$	2019 \$
Total revenue	Nil	Nil	Nil
Net loss for the year	(1,999,691) ⁽¹⁾	(200,071) ⁽²⁾	(375,532)
Loss per share – basic and diluted	(0.04)	(0.01)	(0.02)
Total assets	8,561,683 ⁽³⁾	87,999 ⁽⁴⁾	112,613

- (1) Increase compared to 2020 primarily from increases in corporate development and investor relations of \$985,138, share-based compensation of \$492,924, exploration expenditures of \$67,690, and foreign exchange gain of \$22,011, partially offset by decrease in gain on debt extinguishment of \$92,837.
- (2) Decrease compared to 2019 primarily from decrease in exploration expenditures of \$28,531, partially offset by increase in gain on debt extinguishment of \$92,837, and an increase in foreign exchange gain of \$34,476.
- (3) Increase compared to 2020 primarily from increases in cash and cash equivalents of \$6,411,751, and exploration and evaluation assets of \$2,019,126.
- (4) Decrease compared to 2019 resulting primarily from decrease in exploration and evaluation assets of \$35,103, partially offset by increase in cash and cash equivalents of \$8,916.

Results of Operations – For the year ended December 31, 2021 compared to the year ended December 31, 2020

During the year ended December 31, 2021, loss from operating activities increased by \$1,755,351 to \$2,044,973 compared to \$289,622 in loss from operating activities for the year ended December 31, 2020. The increase in loss from operating activities is largely due to:

- An increase of \$985,138 in corporate development and investor relations. Corporate development and investor relations were \$1,001,526 for the year ended December 31, 2021, compared to \$16,388 for the year ended December 31, 2020. The increase is due to greater activities related to promotion of the Company's projects during the year ended December 31, 2021, compared to fewer activities related to promotion of the Company's projects during the year ended December 31, 2020.
- An increase of \$492,924 in share-based compensation. Share-based compensation was \$492,924 for the year ended December 31, 2021, compared to \$Nil for the year ended December 31, 2020. The increase is due to the granting and vesting of 3,600,000 stock options during the year ended December 31, 2021, compared to no granting and vesting of stock options during the year ended December 31, 2020.

Other Items

During the year ended December 31, 2021, other income decreased by \$44,269 to \$45,282 compared to \$89,551 for the year ended December 31, 2020. The decrease in other items is largely due to:

- A decrease of \$92,837 in gain on debt extinguishment. Gain on debt extinguishment was \$Nil for the year ended December 31, 2021, compared to \$92,837 for the year ended December 31, 2020. The decrease is due to the Company's decision to write off \$92,837 in debt that is no longer payable during the year ended December 31, 2020.

The net loss and comprehensive loss for the year ended December 31, 2021 was \$1,999,691 or \$0.04 per basic and diluted share compared to a net loss and comprehensive loss of \$200,071 or \$0.01 per basic and diluted share for the year ended December 31, 2020.

Cash Flow

Operating Activities

Cash outflow from operating activities was \$1,588,921 for the year ended December 31, 2021, compared to \$212,943 for the year ended December 31, 2020. The increase in cash outflows is primarily due to higher exploration expenditures, and corporate and administrative cash costs, as well as changes in non-cash working capital balances due to timing of receipt and payment of cash during the year ended December 31, 2021.

Investing Activities

Cash outflow from investing activities was \$331,626 for the year ended December 31, 2021, compared to \$4,308 for the year ended December 31, 2020. Expenditures on mineral property interests were \$331,626 during the year ended December 31, 2021, compared to \$4,308 during the year ended December 31, 2020.

Financing Activities

Cash inflow from financing activities was \$8,332,298 for the year ended December 31, 2021, compared to \$226,167 for the year ended December 31, 2020. Proceeds from the issuance of common shares and warrants net of share issue costs were \$6,473,007 for the year ended December 31, 2021, compared to \$689,500 for the year ended December 31, 2020. Proceeds from warrants exercised were \$1,867,625 for the year ended December 31, 2021, compared to \$Nil for the year ended December 31, 2020. Proceeds from stock options exercised were \$95,000 for the year ended December 31, 2021, compared to \$Nil for the year ended December 31, 2020. Proceeds from loans payable were \$100,000 for the year ended December 31, 2021, compared to \$101,000 for the year ended December 31, 2020. Repayment of loans were \$201,000 for the year ended December 31, 2021, compared to \$549,000 for the year ended December 31, 2020. Interest payments were \$2,334 for the year ended December 31, 2021, compared to \$15,333 for the year ended December 31, 2020.

Results of Operations – For the three months ended December 31, 2021 compared to the three months ended December 31, 2020

During the three months ended December 31, 2021, loss from operating activities increased by \$786,601 to \$871,280 compared to \$84,679 in loss from operating activities for the three months ended December 31, 2020. The increase in loss from operating activities is largely due to:

- An increase of \$679,870 in corporate development and investor relations. Corporate development and investor relations were \$687,289 for the three months ended December 31, 2021, compared to \$7,419 for the three months ended December 31, 2020. The increase is due to greater activities related to promotion of the Company's projects during the three months ended December 31, 2021, compared to fewer activities related to promotion of the Company's projects during the three months ended December 31, 2020.

Other Items

During the three months ended December 31, 2021, other income decreased by \$45,019 to \$15,413 compared to \$60,432 for the three months ended December 31, 2020. The decrease in other items is largely due to:

- A decrease of \$92,837 in gain on debt extinguishment. Gain on debt extinguishment was \$Nil for the three months ended December 31, 2021, compared to \$92,837 for the three months ended December 31, 2020. The decrease is due to the Company's decision to write off \$92,837 in debt that is no longer payable during the three months ended December 31, 2020.
- A decrease of \$39,411 in impairment of exploration and evaluation assets. Impairment of exploration and evaluation assets were \$Nil for the three months ended December 31, 2021, compared to \$39,411 for the three months ended December 31, 2020. The decrease is due to the Company determining that it would not be exploring a few areas of Incahuasi properties impairing \$39,411 in acquisition costs during the three months ended December 2020.

The net loss and comprehensive loss for the three months ended December 31, 2021 was \$855,867 or \$0.01 per basic and diluted share compared to a net loss and comprehensive loss of \$24,247 or \$0.00 per basic and diluted share for the three months ended December 31, 2020.

Statement of Financial Position

At December 31, 2021, the Company had total assets of \$8,561,683, which is an increase of \$8,473,684 from \$87,999 in total assets at December 31, 2020. This increase is primarily due to an increase in cash and cash equivalents of \$6,411,751 and exploration and evaluation assets of \$2,019,126 during the year ended December 31, 2021.

Selected Quarterly Financial Information

	2021				2020			
	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	(855,867) ⁽¹⁾	(822,108) ⁽²⁾	(266,196) ⁽³⁾	(55,520) ⁽⁴⁾	(24,247) ⁽⁵⁾	(57,496) ⁽⁶⁾	(51,663) ⁽⁷⁾	(66,665) ⁽⁸⁾
Loss per Common Share Basic and Diluted	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

- (1) Variance from prior quarter primarily due to increase in corporate development and investor relations of \$545,357, partially offset by decrease in share-based compensation of \$470,995, and exploration expenditures of \$227,162.
- (2) Variance from prior quarter primarily due to increase in share-based compensation of \$449,066, and exploration expenditures of \$149,153, partially offset by decrease in corporate development and investor relations of \$27,708.
- (3) Variance from prior quarter primarily due to increase in corporate development and investor relations of \$166,975, share-based compensation of \$21,929, foreign exchange loss of \$12,945, and interest income of \$12,060.
- (4) Variance from prior quarter primarily due to decrease in gain on debt extinguishment of \$92,837, impairment of exploration and evaluation assets of \$39,411, accounting and audit fees of \$21,269, exploration expenditures of \$5,054, and corporate development and investor relations of \$4,754.
- (5) Variance from prior quarter primarily due to decrease in transfer agent and regulatory fees of \$5,120, professional fees of \$4,716, partially offset by increase in gain on debt extinguishment of \$92,837, impairment of exploration and evaluation assets of \$39,411, accounting and audit fees of \$20,000, and exploration expenditures of \$4,094.
- (6) Variance from prior quarter primarily due to increase in legal and professional fees of \$7,887, transfer agent and regulatory fees of \$2,980, partially offset by increase in foreign exchange gain of \$6,480 and decrease in exploration expenses of \$2,037.
- (7) Variance from prior quarter primarily due to decrease in foreign exchange gain of \$10,407, office and sundry of \$9,922, exploration expenditures of \$9,695, legal and professional fees of \$6,190, partially offset by increase in accounting and audit fees of \$6,600.

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

Liquidity and Capital Resources

The Company has experienced recurring operating losses and has an accumulated operating deficit of \$30,495,871 and shareholders' deficiency of \$7,585,186 at December 31, 2021. In addition, the Company has working capital of \$5,523,364 at December 31, 2021 and negative cash flow from operating activities of \$1,598,921. 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 create material uncertainties that may cast significant 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 commitments 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.

The Company's consolidated financial statements for the year ended December 31, 2021, do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to consolidated 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's cash and cash equivalents position at December 31, 2021 was \$6,430,771, an increase of \$6,411,751 from the December 31, 2020 balance of \$19,020. The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any restrictions on the use of its cash resources.

On March 11, 2020, the World Health Organization declared a global outbreak of a novel coronavirus identified as "COVID-19" as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

Contractual Commitments

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	117,600	-	-	-	-

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 \$9,800 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

Capital Stock

The Company's authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2021

On December 10, 2021, the Company completed a non-brokered private placement financing of 2,155,500 units at a price of \$0.45 per unit for gross proceeds of \$969,975. 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 \$0.70 per share for three years from the date of issue, expiring on December 10, 2024. Finder's fees were paid of \$67,898 cash and 282,135 non-transferable warrants exercisable into common shares at \$0.70 for three years from the date of issue with a fair value of \$62,005. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.93%; expected stock price volatility – 136.60%; dividend yield – 0%; and expected warrant life – 1.564 years.

On November 30, 2021, the Company completed a non-brokered private placement financing of 4,996,333 units at a price of \$0.45 per unit for gross proceeds of \$2,248,350. 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 \$0.70 per share for three years from the date of issue, expiring on November 29, 2024. Finder's fees were paid of \$105,158 cash and 102,434 non-transferable warrants exercisable into common shares at \$0.70 for three years from the date of issue with a fair value of \$28,554. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.92%; expected stock price volatility – 140.60%; dividend yield – 0%; and expected warrant life – 1.561 years.

On November 10, 2021, the Company completed a non-brokered private placement financing of 6,108,504 units at a price of \$0.45 per unit for gross proceeds of \$2,748,827. 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 \$0.70 per share for three years from the date of issue, expiring on November 10, 2024. Finder's fees were paid of \$80,794 cash and 179,543 non-transferable warrants exercisable into common shares at \$0.70 for three years from the date of issue with a fair value of \$47,751. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 0.97%; expected stock price volatility – 143.41%; dividend yield – 0%; and expected warrant life – 1.569 years.

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

During the year ended December 31, 2021, 17,297,500 warrants were exercised for gross proceeds of \$1,867,625, and 525,000 stock options were exercised for gross proceeds of \$95,000.

Details of Issues of Common Shares in 2020

On January 14, 2020, the Company completed the non-brokered private placement financing of 14,540,000 units at a price of \$0.05 per unit for gross proceeds of \$727,000. 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 two years from the date of issue, expiring on January 14, 2022. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.69%; expected stock price volatility – 133.08%; dividend yield – 0%; and expected warrant life – 1.295 years.

Outstanding Share Data

As at December 31, 2021, an aggregate of 73,460,505 common shares were issued and outstanding. At the date of this report, 73,853,505 common shares were issued and outstanding. Refer to Events After the Reporting Period for further information.

The following summarizes information about the Company's share options outstanding and exercisable as at the date of this report:

Number of Stock Options		Exercise Price (CAD\$)	Expiry Date
Outstanding	Exercisable		
998,750	998,750	2.00	January 26, 2023
2,650,000	2,650,000	0.20	July 9, 2026
225,000	225,000	0.18	September 6, 2026
3,873,750	3,873,750		

The Company had the following warrants outstanding as at the date of this report:

Number of Warrants Outstanding	Exercise Price (CAD\$)	Expiry Date
5,770,330	0.15	April 14, 2024
6,288,047	0.70	November 10, 2024
5,098,767	0.70	November 29, 2024
2,437,635	0.70	December 10, 2024
19,594,779		

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

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.

Transactions	Year ended December 31,	
	2021	2020
Services rendered:		
Grosso Group Management Ltd.		
Management fees	23,700	6,000
Office & sundry	10,750	5,075
Total for services rendered	34,450	11,075

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.

	Year ended December 31,	
	2021	2020
	\$	\$
Transactions		
Share-based compensation	315,077	-
Salaries to key management or their consulting corporations:		
Darren Urquhart CFO Salaries and employee benefits	12,000	12,000
David Terry Director/Consultant Salaries and employee benefits	48,000	48,000
John Gammon Director Salaries and employee benefits	8,307	-
Miles Rideout VP Exploration Salaries and employee benefits	30,724	-
Total for services rendered	414,108	60,000
	As at December 31,	
	2021	2020
	\$	\$
Balances		
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp. ⁽¹⁾	-	63,485
Payable to Grosso Group Management Ltd. ⁽²⁾	34,323	74,962
Payable to Oxbow International Marketing Ltd. ⁽²⁾	1,066	10,234
Payable to Miles Rideout	9,794	-
Total for amounts payable to related parties	45,183	148,681

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

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

Balances are unsecured, non-interest bearing and has no specific terms of repayment.

Events After the Reporting Period

Stock Option exercises

- The Company received gross proceeds of \$40,000 for option exercises of 200,000 units at \$0.20 per unit.

Pocitos Option Agreement

- On January 3, 2022, the Company entered into an option agreement to acquire 100% interest in the 1,602 hectare El Pidio GIII property in the southeast of Pocitos Basin. Terms of the option include issuance of 25,000 shares in the Company to the vendor on signing plus \$70,000 worth of shares over the subsequent three years including mandatory issuances valued at \$25,000 over the first 18 months, and cash payments totaling US\$165,000 over three years including a mandatory total of US\$30,000 over the first 18 months. The Company issued 25,000 shares and paid US\$10,000 of the option payment due at signature for the El Pidio GIII option agreement.
- On January 3, 2022, the Company entered into an option agreement to acquire 100% interest in the 7,000 hectare Aguamarga 11 and Aguamarga 16 properties in the east flank of Pocitos Basin. Terms of the option include issuance of 168,000 shares in the Company to the vendor on signing plus \$651,000 worth of shares over the subsequent three years including mandatory issuances valued at \$226,000 over the first 12 months, and cash payments totaling US\$1,890,000 over three years including a mandatory total of US\$105,000 over the first 12 months. The Company issued 168,000 shares and paid US\$42,000 of the option payment due at signature for the Aguamarga option agreement.

- On January 6, 2022, the Company entered into an option agreement to acquire 100% interest in five additional properties totaling 1,762 hectares at the Pocitos Salar. Terms of the option include mandatory payments totaling US\$150,000 in the first year, followed by US\$550,000 over two years after signing. The Company paid US\$50,000 of the option payment due at signature. The vendor retains a 1% Net Smelter Royalty (“NSR”) which can be purchased by the Company for US\$500,000.

Critical Accounting Estimates and New Accounting Standards and Interpretations

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results may differ from these estimates.

Reference should be made to the Company’s significant accounting policies contained in Note 2 of the Company’s consolidated financial statements for the year ended December 31, 2021. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

New Accounting Standards and Interpretations

The International Accounting Standards Board (“IASB”) has issued new standards, amendments and interpretations that are not effective for the fiscal year ended December 31, 2021 and, accordingly, have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

Amendments to IAS 37, Provisions, contingent liabilities and contingent assets (effective January 1, 2022) specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment is not expected to have any impact on the Company’s consolidated financial statements.

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.

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 cash equivalents, and accounts receivable. The Company has reduced its credit risk by depositing its cash and cash equivalents with financial institutions that operate globally.

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.

Market risk

(i) Currency risk

Financial instruments that impact the Company’s net earnings due to currency fluctuations in cash and cash equivalents, 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 loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$4,600.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$205,000.

(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 and cash equivalents approximates its carrying values 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.

Risk Factors and Uncertainties

The Company's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding exploration, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. A number of the risks and uncertainties are discussed below:

History of losses: The Company has historically incurred losses as evidenced by its consolidated financial statements for the year ended December 31, 2021 and 2020. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

Joint ventures and other partnerships: The Company may seek joint venture partners to provide funding for further work on any or all of its other properties. Joint ventures may involve significant risks and the Company may lose any investment it makes in a joint venture. Any investments, strategic alliances or related efforts are accompanied by risks such as:

1. the difficulty of identifying appropriate joint venture partners or opportunities;
2. the time the Company's senior management must spend negotiating agreements, and monitoring joint venture activities;
3. the possibility that the Company may not be able to reach agreement on definitive agreements, with potential joint venture partners;
4. potential regulatory issues applicable to the mineral exploration business;
5. the investment of the Company's capital or properties and the loss of control over the return of the Company's capital or assets;
6. the inability of management to capitalize on the growth opportunities presented by joint ventures; and
7. the insolvency of any joint venture partner.

There are no assurances that the Company would be successful in overcoming these risks or any other problems encountered with joint ventures, strategic alliances or related efforts.

Unexpected delays: The Company's minerals business will be subject to the risk of unanticipated delays including permitting its contemplated projects. Such delays may be caused by fluctuations in commodity prices, mining risks, difficulty in arranging needed financing, unanticipated permitting requirements or legal obstruction in the permitting process by project opponents. In addition to adding to project capital costs (and possibly operating costs), such delays, if protracted, could result in a write-off of all or a portion of the carrying value of the delayed project.

Potential conflicts of interest: Several of the Company's directors are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. Such a conflict poses the risk that the Company may enter into a transaction on terms which could place the Company in a worse position than if no conflict existed. The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interest which they may have in any project or opportunity of the Company. However, each director has a similar obligation to other companies for which such director serves as an officer or director. The Company has no specific internal policy governing conflicts of interest.

Competition with larger, better capitalized competitors: The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

The Company does not intend to pay dividends: The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell common shares in the secondary market.

Title Risk: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Price Risk: The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly iron. The prices of this metal greatly affect the value of the Company and the potential value of its property and investments.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. The coronavirus outbreak has caused economic disruption worldwide and the resulting impact may affect the Company's ability to raise equity financing.

Political Risk: Exploration is presently carried out in Argentina and is currently being reviewed worldwide. This exposes the Company to risks that may not otherwise be experienced if all operations were domestic. Political risks may adversely affect the Company's potential projects and operations. Real and perceived political risk in some countries may also affect the Company's ability to finance exploration programs and attract joint venture partners, and future mine development opportunities.

Credit Risk: Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on cash and cash equivalents, and accounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with major financial institutions.

Liquidity Risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is invested in bank accounts.

Interest Risk: The Company's bank accounts do not bear interest income. The fair value of cash and cash equivalents approximates its carrying value due to the immediate or short-term maturity of this financial instrument.

Currency Risk: Business is transacted by the Company in a number of currencies. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction.

Community Risk: The Company has negotiated with the local communities on its mineral property concessions for access to facilitate the completion of geological studies and exploration work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by such certain groups or individuals within the community.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Additional Information

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at www.sedar.com.

The Company maintains a website at www.argentinalithium.com, and has not entered into any agreements with any investor relations firms.