Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

	Note	June 30, 2022 $	December 31, 2021 $
ASSETS			
Current assets			
Cash		4,219,388	6,430,771
Accounts receivables		26,662	29,907
Prepaid expenses		83,822	39,183
Total current assets		4,329,872	6,499,861
Non-current assets			
Exploration and evaluation assets	3	3,108,017	2,061,822
Total non-current assets		3,108,017	2,061,822
Total Assets		7,437,889	8,561,683
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3,6	1,067,066	976,497
Total liabilities		1,067,066	976,497
SHAREHOLDERS' EQUITY			
Share capital	4	28,630,876	28,324,377
Reserves	4	9,228,961	9,256,680
Obligation to issue shares	3	501,000	500,000
Deficit		(31,990,014)	(30,495,871)
Total shareholders' equity		6,370,823	7,585,186
Total Shareholders' Equity and Liabilities		7,437,889	8,561,683

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 8)

SUBSEQUENT EVENTS (Note 11)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 17, 2022. 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

(Expressed in Canadian Dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2022 $	2021 $	2022 $	2021 $
Expenses					
Accounting and audit		-	-	-	(1,269)
Consulting fees	6	179,056	24,000	330,886	48,000
Corporate development and investor relations		265,869	169,640	387,879	172,305
Exploration	3	344,261	16,557	535,885	27,031
Legal and professional fees		37,799	15,399	73,427	22,543
Management fees	6	29,400	1,500	58,800	3,000
Office and sundry	6	12,900	4,289	22,651	6,567
Rent, parking and storage		4,310	4,310	8,620	8,620
Share-based compensation		-	21,929	-	21,929
Transfer agent and regulatory fees		10,654	12,899	23,943	20,721
Loss from operating activities		884,249	270,523	1,442,091	329,447
Other expenses (income)					
Foreign exchange (gain) loss		(53,546)	7,470	152,518	1,995
Interest expense		-	263	-	2,334
Interest income		(2,255)	(12,060)	(100,466)	(12,060)
Loss (income) from other items		(55,801)	(4,327)	52,052	(7,731)
Total loss and comprehensive loss		828,448	266,196	1,494,143	321,716
Basic and diluted loss per common share	5	0.01	0.01	0.02	0.01

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

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

	Six months ended June 30,	
	2022 $	2021 $
Cash flows from operating activities		
Loss for the period	(1,494,143)	(321,716)
Adjustments for:		
Interest expense	-	2,334
Share-based compensation	-	21,929
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivables	3,245	(2,010)
Increase in prepaid expenses	(44,639)	(39,935)
Decrease in accounts payable and accrued liabilities	(329,757)	(38,669)
Net cash used in operating activities	(1,865,294)	(378,067)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(386,089)	(2,982)
Net cash used in investing activities	(386,089)	(2,982)
Cash flows from financing activities		
Issuance of common shares and warrants for private placement	-	763,605
Share issue costs	-	(3,900)
Stock options exercised	40,000	-
Warrants exercised	-	214,000
Loan proceeds received	-	100,000
Repayment of loans	-	(201,000)
Interest paid	-	(2,334)
Net cash generated by financing activities	40,000	870,371
Net (decrease) increase in cash during the period	(2,211,383)	489,322
Cash at beginning of period	6,430,771	19,020
Cash at end of period	4,219,388	508,342

SUPPLEMENTARY CASH FLOW INFORMATION (Note 9)

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Share capital		Reserves					
	Number of shares	**Amount $**	**Contributed surplus $**	**Equity settled share-based payments $**	**Warrants $**	**Obligation to issue shares $**	**Deficit $**	**Total $**
Balance at December 31, 2020	33,143,168	21,729,538	5,281,438	1,085,386	181,139	-	(28,496,180)	(218,679)
Private placement	8,484,500	464,127	-	-	299,478	-	-	763,605
Share issue costs	-	(3,900)	-	-	-	-	-	(3,900)
Agent warrants granted	-	(3,914)	-	-	3,914	-	-	-
Warrants exercised	2,140,000	240,660	-	-	(26,660)	-	-	214,000
Share-based compensation	-	-	-	21,929	-	-	-	21,929
Total comprehensive loss for the period	-	-	-	-	-	-	(321,716)	(321,716)
Balance at June 30, 2021	43,767,668	22,426,511	5,281,438	1,107,315	457,871	-	(28,817,896)	455,239
Private placement	13,260,337	3,847,618	-	-	2,119,534	-	-	5,967,152
Share issue costs	-	(253,850)	-	-	-	-	-	(253,850)
Agent warrants granted	-	(138,310)	-	-	138,310	-	-	-
Shares issued for property option (Note 3(c))	750,000	375,000	-	-	-	-	-	375,000
Obligation to issue shares (Note 3(c))	-	-	-	-	-	500,000	-	500,000
Warrants exercised	15,157,500	1,905,436	-	-	(251,811)	-	-	1,653,625
Stock options exercised	525,000	161,972	-	(66,972)	-	-	-	95,000
Share-based compensation	-	-	-	470,995	-	-	-	470,995
Total comprehensive loss for the period	-	-	-	-	-	-	(1,677,975)	(1,677,975)
Balance at December 31, 2021	73,460,505	28,324,377	5,281,438	1,511,338	2,463,904	500,000	(30,495,871)	7,585,186
Shares issued for property option (Note 3(c))	499,624	238,780	-	-	-	-	-	238,780
Obligation to issue shares (Note 3(c))	-	-	-	-	-	1,000	-	1,000
Stock options exercised	200,000	67,719	-	(27,719)	-	-	-	40,000
Total comprehensive loss for the period	-	-	-	-	-	-	(1,494,143)	(1,494,143)
Balance at June 30, 2022	74,160,129	28,630,876	5,281,438	1,483,619	2,463,904	501,000	(31,990,014)	6,370,823

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 Venture Exchange ("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 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 has experienced recurring operating losses and has an accumulated operating deficit of $31,990,014 and shareholders' equity of $6,370,823 at June 30, 2022. In addition, the Company has working capital of $3,262,806 at June 30, 2022 and negative cash flow from operating activities of $1,865,294. 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.

On March 11, 2020, the World Health Organization declared the 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.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2021 audited annual consolidated financial statements.

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 condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These condensed consolidated interim 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
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 condensed consolidated interim 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

iv. Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

v. There is significant judgment involved in assessing whether any indicators of impairment reversal exist for exploration and evaluation assets, with consideration given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control that affect the value of the exploration and evaluation assets, including consideration given to comparable market transactions, plans to explore the property, and commodity prices.

During the six months ended June 30, 2022, management has determined there were no impairment indicators present with respect to the Company's exploration and evaluation assets.

New Accounting Standards and Interpretations not yet effective

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.

3. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each exploration and evaluation asset that the Company holds title to as at June 30, 2022 and 2021:

Acquisition Costs

	Argentina			
	Incahuasi	**Antofalla**	**Rincon West and Pocitos**	**Total**
	$	**$**	**$**	**$**
Balance – December 31, 2020	42,696	-	-	42,696
Additions				
Option payments, staking costs, land payments and acquisition costs	2,982	-	-	2,982
Balance – June 30, 2021	45,678	-	-	45,678
Additions				
Option payments, staking costs, land payments and acquisition costs	7,771	129,439	1,878,934	2,016,144
Balance – December 31, 2021	53,449	129,439	1,878,934	2,061,822
Additions				
Option payments, staking costs, land payments and acquisition costs	136,609	232,347	677,239	1,046,195
Balance – June 30, 2022	190,058	361,786	2,556,173	3,108,017

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Expenditures

	Argentina				
	Incahuasi	**Antofalla**	**Rincon West and Pocitos**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
Cumulative exploration expenses December 31, 2021	2,526,446	136,343	16,699	52,147	2,731,635
Expenditures during the period:					
Assays	-	-	1,398	-	1,398
Drilling	-	-	102,794	-	102,794
Geophysics	-	-	65,926	-	65,926
Office	19,986	2,228	68	-	22,282
Professional fees	21,784	2,240	10,526	1,285	35,835
Property maintenance payments	9,342	-	514	-	9,856
Salaries and contractors	-	-	15,584	-	15,584
Social and community	-	-	77,719	-	77,719
Supplies and equipment	-	-	78,454	-	78,454
Transportation	-	-	32,327	-	32,327
Statutory taxes	7,906	693	62,422	197	71,218
Travel costs	473	53	21,966	-	22,492
	59,491	5,214	469,698	1,482	535,885
Cumulative exploration expenses June 30, 2022	2,585,937	141,557	486,397	53,629	3,267,520

	Argentina		
	Incahuasi	**Other**	**Total**
	$	**$**	**$**
Cumulative exploration expenses December 31, 2020	2,439,252	161,094	2,600,346
Expenditures during the period:			
Office	3,331	-	3,331
Professional fees	11,053	1,035	12,088
Property maintenance payments	-	7,320	7,320
Statutory taxes	2,715	1,577	4,292
	17,099	9,932	27,031
Cumulative exploration expenses June 30, 2021	2,456,351	171,026	2,627,377

a) Incahuasi Lithium Project

The Company owns a 100% interest in the Incahuasi lithium brine project totalling 13,372 ha, located in the Catamarca Province, Argentina.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

b) Antofalla Lithium Project

On July 7, 2021, the Company entered into an option agreement with Trendix Mining ("Trendix") to earn a 100% interest in the three additional properties totaling 5,380 hectares ("Optioned properties") situated adjacent to the Company's 9,080 hectares of 100% held claims on the Salar de Antofalla ("Staked Properties"). Terms include staged payments over four years totaling US$4,000,000, and annual exploration commitments of US$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.

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 Company entered into an option agreement to acquire a 100% interest in three granted mine concession properties totalling 5,411 hectares in the Salar de Antofalla in Catamarca Province, Argentina. Terms of the option include cash payments totalling US$2,800,000 over four years, including mandatory commitments totalling US$180,000 in the first twelve months. The option also includes mandatory annual exploration expenditure commitments of US$500,000 in year one, followed by US$1,500,000 in year two, US$2,000,000 in year three and US$3,000,000 in year four. The vendor retains a 2% Net Smelter Royalty which can be repurchased for US$3,000,000.

Option Payment US$	Exploration Expenditure Commitments US$	Year
30,000 (paid)	-	2022
50,000 (1)	500,000	2022
300,000 (1)	1,500,000	2023
700,000	2,000,000	2024
1,100,000	3,000,000	2025
620,000	-	2026
2,800,000	7,000,000	

(1) As at June 30, 2022, $187,440 (US$150,000) of cash payments that are firm commitments are accrued in accounts payable and accrued liabilities.

c) Rincon West and Pocitos Project

On October 8, 2021, the Company entered into a definitive agreement with a private vendor to acquire 100% interest in the 2,370-hectare Rincon West and 15,857-hectare Pocitos projects in Salta Province, Argentina. Terms 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 cash payments over the first year.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payments or Firm commitment US$	Share issuances subject to TSX-V approval	Year
150,000 (paid)	750,000 shares (issued)	2021
250,000 (paid)	$150,000 (issued)	2022
400,000 (firm commitment) (1)	$350,000 (firm commitment) (2)	2022
250,000	-	2023
250,000	-	2023
500,000	-	2024
2,400,000	-	2024
4,200,000	$500,000	

(1) As at June 30, 2022, $500,000 (US$400,000) of cash payments that are firm commitments are accrued in accounts payable and accrued liabilities.
(2) As at June 30, 2022, $350,000 worth of shares that are firm commitments are accrued in obligation to issue shares.

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.

Option Payments or Firm commitment US$	Share issuances subject to TSX-V approval	Year
10,000 (paid)	25,000 shares (issued)	2022
10,000 (firm commitment) (1)	$12,500 (firm commitment) (2)	2023
10,000 (firm commitment) (1)	$12,500 (firm commitment) (2)	2023
35,000	$20,000	2024
100,000	$25,000	2025
165,000	$70,000	

(1) As at June 30, 2022, $25,416 (US$20,000) of cash payments that are firm commitments are accrued in accounts payable and accrued liabilities.
(2) As at June 30, 2022, $25,000 worth of shares that are firm commitments are accrued in obligation to issue shares.

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 $126,000 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.

On January 6, 2022, the Company entered into an option agreement 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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payments or Firm commitment US$	Share issuances subject to TSX-V approval	Year
42,000 (paid)	168,000 shares (issued)	2022
63,000 (firm commitment) (1)	$126,000 (firm commitment) (2)	2023
105,000	-	2023
420,000	$210,000	2024
1,260,000	$315,000	2025
1,890,000	$615,000	

(1) As at June 30, 2022 $80,060 (US$63,000) of cash payments that are firm commitments have been accrued.
(2) As at June 30, 2022 $126,000 worth of shares that are firm commitments have been accrued.

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.

Option Payments or Firm commitment US$	Year
50,000 (paid)	2022
100,000 (firm commitment) (1)	2023
550,000	2024
700,000	

(1) As at June 30, 2022 $127,410 (US$100,000) of cash payments that are firm commitments have been accrued.

4. 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 2022

There were no shares issued for private placement during the six months ended June 30, 2022. Refer to Note 11 for further information.

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. Finders' 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.

4. CAPITAL AND RESERVES (continued)

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. Finders' 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. Finders' 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.

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 for a maximum term of ten years. 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.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended June 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired/ cancelled	June 30, 2022	Options exercisable
January 26, 2023	$2.00	998,750	-	-	-	998,750	998,750
July 9, 2026	$0.20	2,850,000	-	(200,000)	-	2,650,000	2,650,000
September 3, 2026	$0.18	225,000	-	-	-	225,000	225,000
		4,073,750	-	(200,000)	-	3,873,750	3,873,750
Weighted average exercise price ($)		0.64	-	0.20	-	0.66	0.66
Weighted average contractual remaining life (years)		3.69	-	-	-	3.15	3.15

The continuity of share purchase options for the six months ended June 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Exercised	Expired/ cancelled	June 30, 2021	Options exercisable
January 26, 2023	$2.00	998,750	-	-	-	998,750	998,750
May 3, 2022	$0.15	-	200,000	-	-	200,000	200,000
		998,750	200,000	-	-	1,198,750	1,198,750
Weighted average exercise price ($)		2.00	0.15	-	-	1.69	1.69
Weighted average contractual remaining life (years)		2.07	-	-	-	1.45	1.45

The weighted average fair value of share purchase options granted during the six months ended June 30, 2022 is $Nil (2021 - $0.11).

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

	Six months ended June 30,	
	2022	2021
Risk-free interest rate	-	0.29%
Expected option life in years	-	3.13
Expected share price volatility(1)	-	141.47%
Grant date share price	-	$0.14
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(1) Expected volatility was estimated based on historical trading price.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the six months ended June 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired/ Cancelled	June 30, 2022
April 14, 2024	$0.15	5,770,330	-	-	-	5,770,330
November 10, 2024	$0.70	6,288,047	-	-	-	6,288,047
November 29, 2024	$0.70	5,098,767	-	-	-	5,098,767
December 10, 2024	$0.70	2,437,635	-	-	-	2,437,635
		19,594,779	-	-	-	19,594,779
Weighted average exercise price ($)		0.54	-	-	-	0.54

The continuity of warrants for the six months ended June 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Exercised	Expired/ Cancelled	June 30, 2021
January 14, 2020	$0.10	14,540,000	-	(2,140,000)	-	12,400,000
April 14, 2021	$0.15	-	8,527,830	-	-	8,527,830
		14,540,000	8,527,830	(2,140,000)	-	20,927,830
Weighted average exercise price ($)		0.10	0.15	0.10	-	0.12

5. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the six months ended June 30, 2022 and 2021 were based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Loss attributable to common shareholders ($)	828,448	266,196	1,494,143	321,716
Weighted average number of common shares outstanding	74,129,467	42,636,401	73,946,077	38,391,737

Diluted loss per share did not include the effect of 3,873,750 (2021 – 1,198,750) share purchase options and 19,594,779 (2021 – 20,927,830) warrants as they are anti-dilutive.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

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

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

	Six months ended June 30,	
	2022	2021
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	58,800	3,000
Office & sundry	9,600	2,040
Total for services rendered	68,400	5,040

Key management personnel compensation

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

			Six months ended June 30,	
			2022	2021
Transactions			$	$
Salaries to key management or their consulting corporations:				
Niko Cacos	President/CEO	Salaries and employee benefits	90,000	-
Darren Urquhart	CFO	Salaries and employee benefits	15,000	6,000
David Terry	Director/Consultant	Salaries and employee benefits	24,000	24,000
Joseph Grosso	Director	Salaries and employee benefits	90,000	-
John Gammon	Director	Salaries and employee benefits	8,000	-
Miles Rideout	VP Exploration	Salaries and employee benefits	79,806	-
Total for services rendered			306,806	30,000

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Six months ended June 30,	
	2022	2021
Balances	$	$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.[(1)]	8,620	72,105
Payable to Grosso Group Management Ltd.[(2)]	23,738	58,226
Payable to Oxbow International Marketing Ltd.[(2)]	1,197	1,006
Total for amounts payable to related parties	33,555	131,397

(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.

7. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in the Americas and Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2022 and the year ended December 31, 2021.

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

	June 30, 2022	
	Argentina	Total
	$	$
Exploration and evaluation assets	3,108,017	3,108,017
	3,108,017	3,108,017

	December 31, 2021	
	Argentina	Total
	$	$
Exploration and evaluation assets	2,061,822	2,061,822
	2,061,822	2,061,822

8. COMMITMENT

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	$	$	$	$	$
Management Services Agreement	58,800	-	-	-	-

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. Refer to Note 3b and 3c for further information.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

9. SUPPLEMENTARY CASH FLOW

	Six months ended June 30, 2022 $	2021 $
Non-cash investing and financing activities:		
Private placement – issuance of warrants	-	299,478
Share issue cost – issuance of warrants to agents	-	3,914
Shares issued for property options	238,780	-
Commitments for property options	571,326	-
Stock options exercised	27,719	-
Warrants exercised	-	26,660

10. FINANCIAL RISK MANAGEMENT

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

(a) Fair Values

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

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

At June 30, 2022, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount June 30, 2022	Level 1 $	Level 2 $	Level 3 $
		Fair value June 30, 2022		
Recurring measurements				
Financial Assets				
Cash	4,219,388	4,219,388	-	-

10. FINANCIAL RISK MANAGEMENT (continued)

At December 31, 2021, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount December 31, 2021	Level 1 $	Level 2 $	Level 3 $
		Fair value December 31, 2021		
Recurring measurements				
Financial Assets				
Cash	6,430,771	6,430,771	-	-

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 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.

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 due to currency fluctuations in cash and cash equivalents, and accounts 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:

10. FINANCIAL RISK MANAGEMENT (continued)

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $2,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $39,000.

(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 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 six months ended June 30, 2022.

Additional information regarding capital management is disclosed in Note 1.

11. SUBSEQUENT EVENTS

Acquisition of Rinconcita II

On July 21, 2022, the Company announced that it has won the public tender to purchase a 100% interest of the Rinconcita II mining concession area ("Rinconcita II") located on the Salar de Rincon in Salta Province, Argentina, from provincially-owned company Recursos Energéticos y Mineros Salta S.A. ("REMSA"). Rinconcita II consists of 460.5 ha of salt flat, located adjacent to and east of Argentina Lithium's Rincon West property, and located adjacent to and west of Rincon Mining's Rincon Project, which was purchased by Rio Tinto earlier this year.

11. SUBSEQUENT EVENTS (continued)

Terms of Purchase

- The Company will make an initial payment to REMSA of US$2,500,000 at the time of signing of the purchase agreement.

- The Company agrees to pay REMSA a 3% Net Smelter Return ("NSR") of mineral and refined products sourced from Rinconcita II over its production life, if it advances to the production stage.

- The Company also presented a proposed exploration program that includes environmental permitting, ground geophysics and exploratory drilling.

The acquisition of Rinconcita II is also subject to TSX-V acceptance.

Private Placement

On August 11, 2022, the Company closed the first tranche of a non-brokered private placement announced on July 21, 2022 and increased on August 9 and August 11, 2022, consisting of 6,215,000 units at a price of $0.20 per unit for gross proceeds of $1,243,000. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.38 per share for two years from the date of issue. Finders' fees payable were $36,260 cash and 181,300 non-transferable warrants exercisable into common shares at $0.38 for two years from the date of issue. The proceeds of the financing will be used in part to complete the acquisition of Rinconcita II. The balance will be used for general working capital and exploration on its properties in Argentina.