
Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 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	September 30, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		2,254,763	6,430,771
Accounts receivables		35,077	29,907
Prepaid expenses		109,792	39,183
Total current assets		2,399,632	6,499,861
Non-current assets			
Exploration and evaluation assets	3	7,027,394	2,061,822
Total non-current assets		7,027,394	2,061,822
Total Assets		9,427,026	8,561,683
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3,6	1,135,596	976,497
Total liabilities		1,135,596	976,497
SHAREHOLDERS' EQUITY			
Share capital	4	31,136,804	28,324,377
Reserves	4	10,012,773	9,256,680
Obligation to issue shares	3	501,000	500,000
Deficit		(33,359,147)	(30,495,871)
Total shareholders' equity		8,291,430	7,585,186
Total Shareholders' Equity and Liabilities		9,427,026	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 November 22, 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 September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Expenses					
Accounting and audit		-	-	-	(1,269)
Consulting fees	7	171,946	28,192	502,832	76,192
Corporate development and investor relations		345,449	141,932	733,328	314,237
Exploration	3	971,636	165,710	1,507,521	192,741
Legal and professional fees		63,484	18,227	136,911	40,770
Management fees	7	29,400	1,500	88,200	4,500
Office and sundry	7	12,703	2,812	35,354	9,379
Rent, parking and storage		4,310	4,310	12,930	12,930
Share-based compensation		-	470,995	-	492,924
Transfer agent and regulatory fees		48,432	10,568	72,375	31,289
Loss from operating activities		1,647,360	844,246	3,089,451	1,173,693
Other (income) expenses					
Foreign exchange (gain) loss		36,122	(11,443)	188,640	(9,448)
Interest income		(314,349)	(10,695)	(414,815)	(22,755)
Interest expense	4	-	-	-	2,334
Reversal of impairment of exploration and evaluation assets	3	-	(283,380)	-	(283,380)
Income from other items		(278,227)	(305,518)	(226,175)	(313,249)
Net loss and comprehensive loss		1,369,133	538,728	2,863,276	860,444
Basic and diluted loss per common share	5	0.02	0.01	0.04	0.02

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

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

	Nine months ended September 30,	
	2022	2021
	\$	\$
Cash flows from operating activities		
Loss for the period	(2,863,276)	(860,444)
Adjustments for:		
Interest expense	-	2,334
Share-based compensation	-	492,924
		(283,380)
Changes in non-cash working capital items:		
Increase in accounts receivables	(5,170)	(382)
Increase in prepaid expenses	(70,609)	(9,649)
Decrease in accounts payable and accrued liabilities	(261,227)	(49,308)
Net cash used in operating activities	(3,200,282)	(707,905)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(4,305,466)	(12,896)
Net cash used in investing activities	(4,305,466)	(12,896)
Cash flows from financing activities		
Issuance of common shares and warrants for private placement	3,326,000	763,605
Share issue costs	(36,260)	(3,900)
Stock options exercised	40,000	-
Warrants exercised	-	439,000
Loan proceeds received	-	100,000
Repayment of loans	-	(201,000)
Interest paid	-	(2,334)
Net cash generated by financing activities	3,329,740	1,095,371
Net (decrease) increase in cash during the period	(4,176,008)	374,570
Cash at beginning of period	6,430,771	19,020
Cash at end of period	2,254,763	393,590

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					Total
	Number of shares	Amount \$	Contributed surplus \$	Equity settled share-based payments \$	Warrants \$	Obligation to issue shares \$	Deficit \$	
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	4,390,000	493,691	-	-	(54,691)	-	-	439,000
Share-based compensation	-	-	-	492,924	-	-	-	492,924
Total comprehensive loss for the period	-	-	-	-	-	-	(860,444)	(860,444)
Balance at September 30, 2021	46,017,668	22,679,542	5,281,438	1,578,310	457,871	-	(29,356,624)	612,506
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	12,907,500	1,652,405	-	-	(223,780)	-	-	1,428,625
Stock options exercised	525,000	161,972	-	(66,972)	-	-	-	95,000
Total comprehensive loss for the period	-	-	-	-	-	-	(1,139,247)	(1,139,247)
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
Private placement	16,630,000	2,562,798	-	-	763,202	-	-	3,326,000
Share issue costs	-	(36,260)	-	-	-	-	-	(36,260)
Agent warrants granted	-	(20,610)	-	-	20,610	-	-	-
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	-	-	-	-	-	-	(2,863,276)	(2,863,276)
Balance at September 30, 2022	90,790,129	31,136,804	5,281,438	1,483,619	3,247,716	501,000	(33,359,147)	8,291,430

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Argentina Lithium & Energy Corp. (the “Company”) was incorporated on April 11, 2000 in the Province of British Columbia and was transitioned under the Business Corporations Act (BC) on June 17, 2004. In September 2016, the Company changed its name to Argentina Lithium & Energy Corp. (formerly Iron South Mining Corp.) trading on the TSX 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 \$33,359,147 and shareholders’ equity of \$8,291,430 at September 30, 2022. In addition, the Company has working capital of \$1,264,036 at September 30, 2022 and negative cash flow from operating activities of \$3,200,282. 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.

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

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 Lito 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.

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Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

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.

Argentina Lithium & Energy Corp.

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Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(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 nine months ended September 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 September 30, 2022 and 2021:

Acquisition Costs

	Argentina					Total
	Incahuasi	Antofalla	Pocitos	Rincon West		
	\$	\$	\$	\$	\$	
Balance – December 31, 2020	42,696	-	-	-	42,696	
Additions						
Option payments, staking costs, land payments and acquisition costs	10,937	1,959	-	-	12,896	
Balance – September 30, 2021	53,633	1,959	-	-	55,592	
Additions						
Option payments, staking costs, land payments and acquisition costs	(184)	127,480	1,878,934	-	2,006,230	
Balance – December 31, 2021	53,449	129,439	1,878,934	-	2,061,822	
Additions						
Option payments, staking costs, land payments and acquisition costs	14,320	698,550	825,641	3,427,061	4,965,572	
Balance – September 30, 2022	67,769	827,989	2,704,575	3,427,061	7,027,394	

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Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Expenditures

	Argentina				Total \$
	Incahuasi \$	Antofalla \$	Pocitos \$	Other \$	
Cumulative exploration expenses December 31, 2021	2,526,446	136,343	16,699	52,147	2,731,635
Expenditures during the period:					
Assays	-	-	7,829	-	7,829
Drilling	-	-	501,026	-	501,026
Geophysics	-	-	62,575	-	62,575
Office	38,085	4,238	65	-	42,388
Professional fees	34,804	3,649	78,664	2,126	119,243
Property maintenance payments	(1,863)	-	1,703	3,799	3,639
Salaries and contractors	-	-	18,521	-	18,521
Social and community	-	-	213,582	-	213,582
Supplies and equipment	1,193	133	159,625	-	160,951
Transportation	-	-	106,979	-	106,979
Statutory taxes	11,403	1,266	190,526	928	204,123
Travel costs	591	66	66,008	-	66,665
	84,213	9,352	1,407,103	6,853	1,507,521
Cumulative exploration expenses September 30, 2022	2,610,659	145,695	1,423,802	56,900	4,239,156

	Argentina			
	Incahuasi \$	Antofalla \$	Other \$	Total \$
Cumulative exploration expenses December 31, 2020	2,439,252	115,346	45,748	2,600,346
Expenditures during the period:				
Office	5,363	596	-	5,959
Professional fees	19,638	2,182	1,730	23,550
Property maintenance payments	147,559	3,347	2,093	152,999
Transportation	490	497	-	987
Statutory taxes	8,719	334	193	9,246
	181,769	6,956	4,016	192,741
Cumulative exploration expenses September 30, 2021	2,621,021	122,302	49,764	2,793,087

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.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

b) Antofalla North 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 (paid)	-	2022
400,000	2,000,000	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. See Note 11 for further information.

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

(1) As at September 30, 2022, \$124,960 (US\$100,000) of cash payments that are firm commitments are accrued in accounts payable and accrued liabilities.

c) 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. See Note 11 for further information.

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Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2022 and 2021

(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 September 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 September 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 September 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 September 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.

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Notes to the Condensed Consolidated Interim Financial Statements

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(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 September 30, 2022 \$80,060 (US\$63,000) of cash payments that are firm commitments have been accrued.

(2) As at September 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 (“the Ramos Properties”). 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 September 30, 2022 \$127,410 (US\$100,000) of cash payments that are firm commitments have been accrued.

d) Rincon West Project

On July 21, 2022, the Company entered into a contract with a provincially-owned company Recursos Energéticos y Mineros Salta S.A. (“REMSA”) to acquire 100% interest of the Rinconcita II mining concession area (“Rinconcita II”) located on the Salar de Rincon in Salta Province, Argentina covering 460.5 hectares adjacent to and east of the Company’s Rincon West property. Terms of contract include payment of 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 paid US\$2,500,000 due at signature. The Company also presented a proposed exploration program that includes environmental permitting, ground geophysics, and exploratory drilling. See Note 11 for further information.

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.

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4. CAPITAL AND RESERVES (continued)

Details of Issues of Common Shares in 2022

On August 25, 2022, the Company completed the second and final tranche of a non-brokered private placement announced on July 21, 2022 and increased on August 9 and August 11, 2022, consisting of 10,415,000 units at a price of \$0.20 per unit for gross proceeds of \$2,083,000. Each unit consisted 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. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.52%; expected stock price volatility – 76.28%; dividend yield – 0%; and expected warrant life – 1.528 years.

On August 11, 2022, the Company completed 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 consisted 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 were paid of \$36,260 cash and 181,300 non-transferable warrants exercisable into common shares at \$0.38 for two years from the date of issue with a fair value of \$20,610. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.26%; expected stock price volatility – 122.63%; dividend yield – 0%; and expected warrant life – 1.614 years.

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 consisted 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.

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 consisted 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.

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4. CAPITAL AND RESERVES (continued)

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 consisted 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 consisted 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.

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

Expiry date	Exercise Price	December 31, 2021	Granted	Expired/ Exercised	September 30, 2022	Options exercisable
January 26, 2023 ⁽¹⁾	\$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	-	-	- 2.89	2.89

(1) See Note 11 for further information.

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4. CAPITAL AND RESERVES (continued)

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

Expiry date	Exercise Price	December 31, 2020	Granted	Expired/ Exercised	September 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
July 9, 2026	\$0.20	-	3,175,000	-	3,175,000	3,175,000
September 2, 2026	\$0.18	-	225,000	-	225,000	225,000
		998,750	3,600,000	-	4,598,750	4,598,750
Weighted average exercise price (\$)		2.00	0.20	-	0.59	0.59
Weighted average contractual remaining life (years)		2.07	-	-	3.85	3.85

The weighted average fair value of share purchase options granted during the nine months ended September 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:

	Nine months ended September 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.

Warrants

The continuity of warrants for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Expired/ Exercised	September 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
August 11, 2024	\$0.38	-	6,396,300	-	6,396,300
August 25, 2024	\$0.38	-	10,415,000	-	10,415,000
		19,594,779	16,811,300	-	36,406,079
Weighted average exercise price (\$)		0.54	0.38	-	0.47

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4. CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2021 is as follows:

Expiry date	Exercise Price	December 31, 2020	Granted	Exercised	Expired/Cancelled	September 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 nine months ended September 30, 2022 and 2021 were based on the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Loss attributable to common shareholders (\$)	1,369,133	538,728	2,863,276	860,444
Weighted average number of common shares outstanding	81,794,042	45,437,112	76,590,813	40,753,770

Diluted loss per share did not include the effect of 3,873,750 (2021 – 4,598,750) share purchase options and 36,406,079 (2021 – 20,927,830) warrants as they are anti-dilutive.

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.

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6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Nine months ended September 30,	
	2022	2021
Transactions	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	88,200	4,500
Office & sundry	18,000	2,850
Total for services rendered	106,200	7,350

Key management personnel compensation

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

	Nine months ended September 30,	
	2022	2021
Transactions	\$	\$
Salaries to key management or their consulting corporations:		
Niko Cacos President/CEO Salaries and employee benefits	135,000	-
Darren Urquhart CFO Salaries and employee benefits	22,500	9,000
David Terry Director/Consultant Salaries and employee benefits	36,000	36,000
Joseph Grosso Director Salaries and employee benefits	135,000	-
John Gammon Director Salaries and employee benefits	9,000	-
Miles Rideout VP Exploration Salaries and employee benefits	130,252	-
Total for services rendered	467,752	45,000

	Nine months ended September 30,	
	2022	2021
Balances	\$	\$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp. ⁽¹⁾	63,028	72,105
Payable to Grosso Group Management Ltd. ⁽²⁾	27,735	58,226
Payable to Oxbow International Marketing Ltd. ⁽²⁾	1,198	1,006
Total for amounts payable to related parties	91,961	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 nine months ended September 30, 2022 and the year ended December 31, 2021.

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7. SEGMENTED INFORMATION (continued)

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

	September 30, 2022	
	Argentina \$	Total \$
Exploration and evaluation assets	7,027,394	7,027,394
	7,027,394	7,027,394

	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	29,400	-	-	-	-

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. See Note 3b and 3c for further information.

9. SUPPLEMENTARY CASH FLOW

	Nine months ended September 30,	
	2022 \$	2021 \$
Non-cash investing and financing activities:		
Private placement – issuance of warrants	763,202	299,478
Share issue cost – issuance of warrants to agents	20,610	3,914
Shares issued for property options	238,780	-
Commitments for property options	508,846	-
Stock options exercised	27,719	-
Warrants exercised	-	26,660

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

	\$	Level 1 \$	Level 2 \$	Level 3 \$
	Carrying amount September 30, 2022	Fair value September 30, 2022		
Recurring measurements				
Financial Assets				
Cash	2,254,763	2,254,763	-	-

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

	\$	Level 1 \$	Level 2 \$	Level 3 \$
	Carrying amount December 31, 2021	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).

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10. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and 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:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$10,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$16,000.

(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.

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10. FINANCIAL RISK MANAGEMENT (continued)

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

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

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

The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2022.

Additional information regarding capital management is disclosed in Note 1.

11. SUBSEQUENT EVENTS

Antofalla North Lithium Project

The Company has also entered into an option agreement with a local vendor to earn a 100% interest in a single mine concession measuring 843.5 hectares at the Salar de Antofalla (the "Volcan option"). Terms of the Volcan option include cash payments totalling US\$590,000 paid over three years, including the obligatory payment of US\$40,000 at the time of signing. The option grants a 1% NSR to the Vendor, which can be purchased by the Company for an additional US\$1,300,000.

Pocitos Project

The Company issued 1,430,908 shares and paid the US\$400,000 option payment that is due in 2022 for the Rincon West and Pocitos option agreement.

Rincon West Project

On October 6, 2022, the Company entered into an option agreement with a local vendor to earn a 100% interest in four contiguous mine concessions totalling 791.3 hectares at the Salar de Rincon (the "Paso de Sico option"). Terms of the Paso de Sico option include cash payments totalling US\$1,500,000 paid over two years, including obligatory payment commitments totalling US\$300,000 in the first six months. The option grants a 3% NSR to the Vendor, which can be purchased by the Company for an additional US\$1.5MM. The Paso de Sico option agreement also includes a total of US\$2,300,000 of exploration and development expenditures over a three-year period.

Stock Options Cancelled

12,500 stocks options with an exercise price of \$2.00 per stock option were cancelled.

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11. SUBSEQUENT EVENTS (continued)

Private Placement

On November 21, 2022, the Company completed the non-brokered private placement announced on November 3, 2022, and increased on November 16 and November 21, 2022, consisting of 36,340,948 units at a price of \$0.25 per unit for gross proceeds of \$9,085,237. Each unit consisted 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 \$0.40 per share for two years from the date of issue. Finders' fees were paid of \$22,260 cash and 89,040 non-transferable warrants exercisable into common shares at \$0.40 for two years from the date of issue.