
Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(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, 2023 \$	December 31, 2022 \$
ASSETS			
Current assets			
Cash		2,226,132	8,130,147
Accounts receivables	6	137,869	112,324
Prepaid expenses		84,114	174,848
Total current assets		2,448,115	8,417,319
Non-current assets			
Exploration and evaluation assets	3	8,182,754	7,172,264
Total non-current assets		8,182,754	7,172,264
Total Assets		10,630,869	15,589,583
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3,6	360,201	1,931,385
Total liabilities		360,201	1,931,385
SHAREHOLDERS' EQUITY			
Share capital	4	37,795,926	37,611,102
Reserves	4	14,945,648	14,875,161
Obligation to issue shares	3	12,500	151,000
Deficit		(42,483,406)	(38,979,065)
Total shareholders' equity		10,270,668	13,658,198
Total Shareholders' Equity and Liabilities		10,630,869	15,589,583

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

EXPLORATION AND EVALUATION ASSETS (Note 3)

COMMITMENT (Note 8)

SUBSEQUENT EVENTS (Note 11)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 3, 2023. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"Martin Burian" , 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,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Consulting fees	6	146,668	179,056	343,222	330,886
Corporate development and investor relations		264,415	265,869	689,267	387,879
Exploration	3	2,025,308	344,261	3,070,337	535,885
Legal and professional fees		54,487	37,799	91,335	73,427
Management fees	6	30,000	29,400	59,400	58,800
Office and sundry	6	23,296	12,900	36,335	22,651
Rent, parking and storage		4,310	4,310	8,637	8,620
Share-based compensation		23,628	-	79,311	-
Transfer agent and regulatory fees		13,147	10,654	22,273	23,943
Travel		8,580	-	24,232	-
Loss from operating activities		2,593,839	884,249	4,424,349	1,442,091
Other (income) expenses					
Foreign exchange (gain) loss		(211,832)	(53,546)	(826,587)	152,518
Interest income		(44,134)	(2,255)	(93,421)	(100,466)
(Income) loss from other items		(255,966)	(55,801)	(920,008)	52,052
Total loss and comprehensive loss		2,337,873	828,448	3,504,341	1,494,143
Basic and diluted loss per common share	5	0.02	0.01	0.03	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)

	Six months ended June 30,	
	2023	2022
	\$	\$
Cash flows from operating activities		
Loss for the period	(3,504,341)	(1,494,143)
Adjustments for:		
Share based compensation	79,311	-
Changes in non-cash working capital items:		
(Increase) decrease in accounts receivables	(25,545)	3,245
Decrease (increase) in prepaid expenses	90,734	(44,639)
Decrease in accounts payable and accrued liabilities	(1,571,184)	(329,757)
Net cash used in operating activities	(4,931,025)	(1,865,294)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(1,010,490)	(386,089)
Net cash used in investing activities	(1,010,490)	(386,089)
Cash flows from financing activities		
Warrants exercised	37,500	-
Stock options exercised	-	40,000
Net cash from financing activities	37,500	40,000
Net decrease in cash and cash equivalents during the period	(5,904,015)	(2,211,383)
Cash and cash equivalents at beginning of period	8,130,147	6,430,771
Cash and cash equivalents at end of period	2,226,132	4,219,388

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, 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
Private placement	52,970,948	8,584,458	-	-	3,826,779	-	-	12,411,237
Share issue costs	-	(58,520)	-	-	-	-	-	(58,520)
Agent warrants granted	-	(34,685)	-	-	34,685	-	-	-
Shares issued for property option (Note 3(c))	1,430,908	350,000	-	-	-	(350,000)	-	-
Warrants exercised	750,000	138,973	-	-	(26,473)	-	-	112,500
Share-based compensation	-	-	-	1,811,209	-	-	-	1,811,209
Stock options exercised	-	-	-	-	-	-	-	-
Stock options cancelled	-	-	27,169	(27,169)	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(6,989,051)	(6,989,051)
Balance at December 31, 2022	129,311,985	37,611,102	5,308,607	3,267,659	6,298,895	151,000	(38,979,065)	13,658,198
Shares issued for property option (Note 3(c))	461,667	138,500	-	-	-	(138,500)	-	-
Warrants exercised	250,000	46,324	-	-	(8,824)	-	-	37,500
Share based compensation	-	-	-	79,311	-	-	-	79,311
Stock options expired	-	-	1,058,216	(1,058,216)	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(3,504,341)	(3,504,341)
Balance at June 30, 2023	130,023,652	37,795,926	6,366,823	2,288,754	6,290,071	12,500	(42,483,406)	10,270,668

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 six months ended June 30, 2023 and 2022

(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-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 \$42,483,406, working capital of \$2,087,914 and shareholders’ equity of \$10,270,668 at June 30, 2023. In addition, the Company has negative cash flow from operating activities of \$4,931,025 for the six months ended June 30, 2023. 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.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

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.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

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, 2022 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.

Significant Accounting Estimates and Judgments

The preparation of these consolidated 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated 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.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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 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.
- iii. 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.

During the six months ended June 30, 2023, management has determined there were no impairment indicators present with respect to the Company's exploration and evaluation assets.

Changes in Accounting Standards

Amendments to IAS 1, Presentation of financial statements (effective January 1, 2023) provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. 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, 2023 and 2022:

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition Costs

	Argentina				
	Incahuasi	Antofalla	Rincon West	Pocitos	Total
	\$	\$	\$	\$	\$
Balance – December 31, 2021	53,449	129,439	938,028	940,906	2,061,822
Additions					
Option payments, staking costs, land payments and acquisition costs	136,609	232,347	66,585	610,654	1,046,195
Balance – June 30, 2022	190,058	361,786	1,004,613	1,551,560	3,108,017
Additions					
Option payments, staking costs, land payments and acquisition costs	(123,086)	468,164	3,633,220	85,949	4,064,247
Balance – December 31, 2022	66,972	829,950	4,637,833	1,637,509	7,172,264
Additions					
Option payments, staking costs, land payments and acquisition costs	-	534,520	336,950	139,020	1,010,490
Balance – June 30, 2023	66,972	1,099,670	4,637,833	1,637,509	8,182,754

Exploration Expenditures

	Argentina					
	Incahuasi	Antofalla	Rincon West	Pocitos	Other	Total
	\$	\$	\$	\$	\$	\$
Cumulative exploration expenses						
December 31, 2022	2,554,371	369,057	3,822,625	2,228	58,228	6,806,509
Expenditures during the period:						
Assays	3,352	-	26,738	-	-	30,090
Drilling	-	-	1,076,984	-	-	1,076,984
Geophysics	6,183	-	265,834	-	-	272,017
Office	977	5,860	92,476	-	-	99,313
Professional fees	1,169	7,103	130,638	-	1,352	140,262
Property maintenance payments	39,002	37,594	29,502	-	11,360	117,458
Salaries and contractors	974	5,847	425,788	-	-	432,609
Social and community	200	1,210	29,863	-	-	31,273
Supplies and equipment	8,964	73,753	122,414	-	-	205,131
Transportation	9,523	7,871	132,435	-	-	149,829
Statutory taxes	11,319	22,420	389,664	-	2,045	425,448
Travel costs	23	138	89,762	-	-	89,923
	81,686	161,796	2,819,098	-	14,757	3,070,337
Cumulative exploration expenses						
June 30, 2023	2,636,057	530,853	6,634,723	2,228	72,985	9,876,846

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

	Argentina				Total
	Incahuasi	Antofalla	Rincon West and 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	-	-	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

a) Incahuasi Lithium Project

The Company owns a 100% interest in the Incahuasi lithium brine project totalling 25,000 ha, located in the Catamarca Province, Argentina.

b) Antofalla North Lithium Project

Pipo-Alcalina V Option

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 total exploration expenditures 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	Exploration Expenditure	Year
US\$	US\$	
100,000 (paid)	-	2021
300,000 (paid)	-	2022
200,000 (paid)	-	2023
200,000 (paid)	-	2023
1,700,000	4,000,000	2024
1,500,000	3,000,000	2025
4,000,000	7,000,000	

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Amelia Option

On March 31, 2022, 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 US\$	Year
80,000 (paid)	-	2022
100,000 (paid)	-	2023
200,000	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	

Volcan Option

On August 5, 2022, the Company entered into an option agreement to acquire a 100% interest in a single mine concession property measuring 843.5 hectares in the Salar de Antofalla in Catamarca Province, Argentina. Terms of the Volcan option include cash payments totaling US\$590,000 paid over three years, including the obligatory payment of US\$40,000 at the time of signing. The vendor retains a 1% Net Smelter Royalty which can be repurchased for US\$1,300,000.

Option Payment US\$	Year
40,000 (paid)	2022
100,000	2023
200,000	2024
250,000	2025
590,000	

c) Pocitos Project

Rincon-Pocitos Option

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. See Note 11 for further information.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payments or Firm commitment US\$	Shares issued valued at \$	Number of shares issued #	Year
150,000 (paid)	375,000	750,000	2021
250,000 (paid)	150,000	306,623	2022
400,000 (paid)	350,000	1,430,908	2022
250,000 (paid)	-	-	2023
250,000	-	-	2023
500,000	-	-	2024
2,400,000	-	-	2024
4,200,000	850,000	2,487,531	

El Pidio GIII Option

On January 3, 2022, the Company entered into an option agreement to acquire 100% interest in the 1,602 hectare property in the southeast of Pocitos Basin. Terms of the option include issuance of 25,000 shares in the Company to the vendor on signing plus \$70,000 worth of shares over the subsequent three years including mandatory issuances valued at \$25,000 over the first 18 months, and cash payments totaling US\$165,000 over three years including a mandatory total of US\$30,000 over the first 18 months. The number of shares to be issued are calculated based on the discounted market price of \$0.30 per share on the TSX-V on January 7, 2022. See also Note 11.

Option Payments or Firm commitment US\$	Shares to be issued valued at \$	Number of shares to be issued #	Year
10,000 (paid)	11,500 (issued)	25,000 (issued)	2022
10,000 (paid)	12,500 (issued)	41,667 (issued)	2023
10,000 (paid)	12,500 (firm commitment) ⁽¹⁾	41,667	2023
35,000	20,000	66,667	2024
100,000	25,000	83,333	2025
165,000	81,500	258,334	

(1) As at June 30, 2023, \$12,500 worth of shares that are firm commitments are accrued in obligation to issue shares.

Aguamarga Option

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. The number of shares to be issued are calculated based on the discounted market price of \$0.30 per share on the TSX-V on January 7, 2022.

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(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payments or Firm commitment US\$	Shares to be issued valued at \$	Number of shares to be issued #	Year
42,000 (paid)	77,280 (issued)	168,000 (issued)	2022
63,000 (paid)	126,000 (issued)	420,000 (issued)	2023
105,000 (paid)	-	-	2023
420,000	210,000	700,000	2024
1,260,000	315,000	1,050,000	2025
1,890,000	728,280	2,338,000	

Ramos Option

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 (paid)	2023
550,000	2024
700,000	

d) Rincon West Project

On August 17, 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 on signing. The Company is committed to an exploration program for US\$2,560,558 that includes environmental permitting, ground geophysics, and exploratory drilling, within twelve months from the date of approval of the environmental impact report.

Paso de Sico Option

On September 20, 2022, the Company entered into an option agreement to acquire a 100% interest in four contiguous mine concession properties totalling 791.3 hectares in the Salar de Rincon, Argentina. Terms of the Paso de Sico option include cash payments totalling US\$1,500,000 over two years, including mandatory commitments totalling US\$300,000 in the first six months. The option also includes annual exploration expenditure commitments of US\$300,000 in year one, followed by US\$800,000 in year two, and US\$1,200,000 in year three. The vendor retains a 3% Net Smelter Royalty which can be repurchased for US\$1,500,000.

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3. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payment US\$	Exploration Expenditure US\$	Year
100,000 (paid)	-	2022
200,000 (paid)	-	2023
400,000	300,000	2023
800,000	800,000	2024
-	1,200,000	2025
1,500,000	2,300,000	

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 2023

There were no shares issued for private placement during the six months ended June 30, 2023.

Details of Issues of Common Shares in 2022

On November 21, 2022, the Company completed a non-brokered private placement announced on November 3, 2022, and increased on November 16, 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 per share for two years from the date of issue with a fair value of \$14,075. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.9%; expected stock price volatility – 105.27%; dividend yield – 0%; and expected warrant life – 1.387 years.

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 – 110.80%; 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.

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4. CAPITAL AND RESERVES (continued)

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the “Plan”) approved by the Company’s shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers 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 six months ended June 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Exercised	Expired	June 30, 2023	Options exercisable
January 26, 2023	\$2.00	973,750	-	-	(973,750)	-	-
July 9, 2026	\$0.20	2,650,000	-	-	-	2,650,000	2,650,000
September 3, 2026	\$0.18	225,000	-	-	-	225,000	225,000
December 8, 2027	\$0.35	8,016,000	-	-	-	8,016,000	8,016,000
January 13, 2028	\$0.35	-	300,000	-	-	300,000	300,000
May 8, 2028	\$0.30	-	150,000	-	-	150,000	150,000
		11,864,750	450,000	-	(973,750)	11,341,000	11,341,000
Weighted average exercise price (\$)		0.64	0.33	-	2.00	0.31	0.31
Weighted average contractual remaining life (years)		3.69	-	-	-	4.10	4.10

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 weighted average fair value of share purchase options granted during the six months ended June 30, 2023 is \$0.33 (2022 - \$Nil).

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4. CAPITAL AND RESERVES (continued)

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

	Six months ended June 30,	
	2023	2022
Risk-free interest rate	3.17%	-
Expected option life in years	2.80	-
Expected share price volatility ⁽¹⁾	118.22%	-
Grant date share price	\$0.268	-
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 six months ended June 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Exercised	June 30, 2023
April 14, 2024	\$0.15	5,020,330	-	(250,000)	4,770,330
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
November 21, 2024	\$0.40	36,429,988	-	-	36,429,988
		72,086,067	-	(250,000)	71,836,067
Weighted average exercise price (\$)		0.44	-	0.15	0.44

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

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5. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the six months ended June 30, 2023 and 2022 were based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Loss attributable to common shareholders (\$)	2,337,873	828,448	3,504,341	1,494,143
Weighted average number of common shares outstanding	130,023,652	74,129,467	129,918,136	73,946,077

Diluted loss per share did not include the effect of 11,341,000 (2022 – 3,873,750) share purchase options and 71,836,067 (2022 – 19,594,779) 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.

Transactions	Six months ended June 30,	
	2023	2022
	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	59,400	58,800
Office & sundry	12,000	9,600
Total for services rendered	71,400	68,400

Key management personnel compensation

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

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6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

			Six months ended June 30,	
			2023	2022
			\$	\$
Transactions				
Salaries to key management or their consulting corporations:				
Niko Cacos	President/CEO	Salaries and employee benefits	96,420	90,000
Darren Urquhart	CFO	Salaries and employee benefits	16,334	15,000
Martin Burian	Director	Salaries and employee benefits	8,000	-
Joseph Grosso	Director	Salaries and employee benefits	90,000	90,000
John Gammon	Director	Salaries and employee benefits	6,000	8,000
David Terry	Former Director	Salaries and employee benefits	-	24,000
Miles Rideout	VP Exploration	Salaries and employee benefits	56,856	79,806
Total for services rendered			273,610	306,806

			Six months ended June 30,	
			2023	2022
			\$	\$
Balances				
Amounts owed to related parties				
		Payable to Golden Arrow Resources Corp. ⁽¹⁾	21,525	8,620
		Payable to Grosso Group Management Ltd. ⁽²⁾	47,486	23,738
		Payable to Oxbow International Marketing Ltd. ⁽²⁾	1,197	1,197
Total for amounts payable to related parties			70,208	33,555

(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, 2023 and the year ended December 31, 2022.

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

			June 30, 2023	
			Argentina	Total
			\$	\$
Exploration and evaluation assets			8,182,754	8,182,754
			8,182,754	8,182,754

			December 31, 2022	
			Argentina	Total
			\$	\$
Exploration and evaluation assets			7,172,264	7,172,264
			7,172,264	7,172,264

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8. COMMITMENT

Exploration and Evaluation Assets

The Company has firm commitments in relation to certain of its option agreements for exploration and evaluation assets, see Note 3.

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	60,000	120,000	-	-	-

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 \$10,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

9. SUPPLEMENTARY CASH FLOW

	Six months ended June 30,	
	2023	2022
	\$	\$
Non-cash investing and financing activities:		
Shares issued for property option	138,500	238,780
Commitments for property option	25,208	571,326
Warrants exercised	8,824	-
Stock options exercised	-	27,719

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 and cash equivalents, accounts receivables, accounts payable and accrued liabilities. The fair value of 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.

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10. FINANCIAL RISK MANAGEMENT (continued)

At June 30, 2023, the Company's financial instruments measured at fair value are as follows:

	\$	Level 1 \$	Level 2 \$	Level 3 \$
	Carrying amount June 30, 2023	Fair value June 30, 2023		
Recurring measurements				
Financial Assets				
Cash	2,226,132	2,226,132	-	-

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, 2022	Fair value December 31, 2022		
Recurring measurements				
Financial Assets				
Cash	8,130,147	8,130,147	-	-

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).

The Company's financial instruments consist of cash and cash equivalents, accounts receivables, and accounts payable and accrued liabilities.

(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 receivables. The Company has reduced its credit risk by depositing its cash and cash equivalents with financial institutions that operate globally.

With the exception of amounts held with the a related company, 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.

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10. FINANCIAL RISK MANAGEMENT (continued)

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 a significant 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 \$111,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$23,000.

(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 and cash equivalents 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.

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10. FINANCIAL RISK MANAGEMENT (continued)

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, 2023.

Additional information regarding capital management is disclosed in Note 1.

11. SUBSEQUENT EVENTS

Pocitos Project

The Company issued 41,667 shares due at 18 months for El Pidio GIII option agreement.