

## **ARGENTINA LITHIUM & ENERGY CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

#### **Introduction**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed consolidated interim financial statements of Argentina Lithium & Energy Corp. ("Argentina Lithium" or "the Company") for the nine months ended September 30, 2023 and 2022 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of November 20, 2023.

#### **Company Overview**

The Company was incorporated on April 11, 2000 and was transitioned under the Business Corporations Act (BC) on June 17, 2004. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company remained without a business asset until March 2003, when the Company negotiated a number of agreements to option and acquire interests in various mineral concessions located in Argentina. In December 2003, the Company completed its initial public offering and commenced trading on the TSX Venture Exchange ("TSX-V" or the "Exchange") under the symbol "AMS". In December 2008, the Company consolidated its outstanding common shares on a 10 for 1 basis and changed its name to Panthera Exploration Inc. (formerly Amara Resources Corporation) trading on the TSX-V under the symbol "PNX". In January 2012, the Company changed its name to Iron South Mining Corp. (formerly Panthera Exploration Inc.) trading on the TSX-V under the symbol "IS". In September 2016, the Company changed its name to Argentina Lithium & Energy Corp. (formerly Iron South Mining Corp.) trading on the TSX-V under the symbol "LIT".

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company's material mineral property interests are located in Argentina, and while the Company continually considers additional exploration projects to acquire, its focus is to explore and advance its current group of Argentinian lithium properties. In Argentina, the Company operates via its subsidiary Argentina Lítico y Energía S.A. ("ALE"). As of the date of this MD&A, the Company has not earned any production revenue, nor established any reserves on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

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

#### **Stellantis Investment**

In September 2023, Argentina Lithium announced that Peugeot Citroen Argentina S.A., a subsidiary of Stellantis N.V. ("Stellantis"), had agreed to invest the ARS\$ equivalent of US\$90 million to acquire shares of the Company's subsidiary, ALE. Stellantis is one of the world's leading automakers and mobility providers with iconic brands including Abarth, Alfa Romeo, Chrysler, Citroën, Dodge, DS Automobiles, Fiat, Jeep®, Lancia, Maserati, Opel, Peugeot, RAM, Vauxhall, Free2Move and Leasys. As a result of the transaction, Stellantis owns 19.9% of the issued and outstanding ALE shares and Argentina Lithium owns 80.1%. The Company has also granted Stellantis the right to exchange all of the ALE Shares for up to 19.9% of the outstanding common shares of Argentina Lithium (on an undiluted basis) in the future, subject to certain conditions. In addition, both parties have agreed to an offtake agreement for future lithium production that sees Stellantis purchase from ALE up to 15,000 tonnes per annum of lithium over a seven-year period subject to certain terms and conditions (see also Events After the Reporting Period).

Additional details of the investment transaction, offtake agreement and shareholders agreement are available in the original news releases dated September 27, 2023 and October 5, 2023.

As a result of this investment, the scale and number of field programs is expected to increase to meet a new mandate of accelerated exploration, evaluation and potential development of the Company's projects.

## **Exploration Projects Overview**

### ***Incahuasi Lithium Project, Catamarca***

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

On January 31, 2018, the Company announced that it had received permits necessary for drilling at Incahuasi and on March 13th announced the start of a 4-hole drill program on the southern part of the salar. On August 24, 2018, the Company announced that the program was complete, with 878 metres drilled in total. Halite and deeper clastic sediments were cored in all holes, and each hole encountered lithium-bearing brines. Lithium concentrations were modest but fairly consistent, averaging 109 mg/L in all 54 samples collected and analyzed. The Company did not complete any work on the property in 2021 or 2022.

The Company plans to restart exploration at the Incahuasi property, specifically by completing approximately 77 line-km of Transient Electromagnetic soundings to detect & delineate new areas of potential brines for follow-up drill testing.

### ***Antofalla North Lithium Project, Salta***

Argentina Lithium currently controls 10,839 hectares of mining concessions in the Salar de Antofalla, distributed between the adjacent provinces of Salta and Catamarca. The Company had previously held 9080 hectares of staked claims ("Staked Properties") for which it impaired exploration costs in 2019 but maintained ownership (see the year-end Management Discussion and Analysis for 2019, filed on SEDAR). In the last year, the Company reduced this area to 3996.1 ha, by resigning a less prospective property and also through administrative reductions in non-prospective areas.

With the resurgence in interest in the lithium markets, the Company re-evaluated its strategy and identified multiple opportunities in the Salar de Antofalla that complement the existing Staked Property position, and could potentially contain significant brine resource. As such, on August 4, 2021, the Company announced that it had entered into an option agreement ("Pipo-Alcalina V Option") to earn a 100% interest in three granted mine concession properties in the Salta Province mining registry, totaling 5,380 hectares situated adjacent or proximal to the Staked Properties. The Company previously held an option for these properties, but due to market conditions work was suspended, payments were discontinued and in 2019 the original option earn-in was relinquished.

On April 11, 2022, the Company announced that it had entered into a second option agreement ("Amelia Option") for a further 5,411 hectares in three mine concessions on the Antofalla Salar, in the mining registry of Catamarca Province.

On October 6, 2022, the Company announced a third option agreement ("Volcan Option") for an additional 843.5 hectares in a single mine concession on the Antofalla Salar, in the Catamarca mining registry.

On November 8, 2023, the Company announced a fourth option agreement ("Lexi-30 Option") for an additional 789 hectares in a single mining concession on the Antofalla Salar, wholly within the Catamarca mining registry.

The Salta mining registry and the Catamarca mining registry overlap along an east-west belt that is approximately 11.5 km wide in the vicinity of Antofalla. This situation has existed since 1943. On May 11, 2022 the provinces of Salta and Catamarca signed an agreement to develop properties in the conflicted area jointly, essentially sharing the mineral interests and royalties in the affected region.

If a project in this conflicted zone is to advance, the Company's interpretation is that either the overlapping property concessions must both be controlled by a single operator, or there should be an agreement between the holders of the conflicting mining concessions. The Company has optioned mining concessions in both provincial registers in order to exercise outright control over the largest possible block of prospective ground. However, the Company believes that claimed property that is currently conflicted in a second mining register, could potentially have significant value also. To this end, based on reconnaissance of the area and on work on the company's bounding properties, the Company will seek to purchase or negotiate favorable terms to allow exploration and development of the conflicted properties.

Between the five property groups described above for Antofalla North, the Company exercises complete control over 10,839 hectares of mining concessions (i.e. holds mining rights in both provincial mining registries for areas within the conflicted zone). The Company holds an additional 3,094 hectares of concession ground that is conflicted in an overlapping mining registry.

The Salar de Antofalla is approximately 150 kilometres long and 5-7 kilometres wide and is located at 3,900 metres elevation. The salar is accessed by Provincial highway 43 and unpaved roads, with the small town of Antofalla approximately 50 kilometres to the south and the city of Salta approximately 500 kilometres away. The geological environment at the Salar de Antofalla is similar to other salars in the Puna region where lithium and potash are found. The Antofalla North project extends to within 500 metres of the boundary of a property controlled by global lithium producer Albemarle Inc. on the salar. Albemarle has stated that it believes the lithium resource on its property has potential to rank amongst the largest in Argentina<sup>1</sup>. [Investors are cautioned that this information is taken from the publicly available sources, has not been independently verified by the Company and it is not known if this resource conforms to the standards of NI 43-101. Furthermore, proximity to a discovery, mine, or mineral resource, does not indicate that mineralization will occur at the Company's Project, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario.]

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

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

There has been no significant historical exploration work on the remaining optioned properties. These concessions provide the Company with coverage to protect its mineral rights in the area of the provincial boundary between Salta and Catamarca; a portion of the northern part of the optioned properties may overlap a third-party concession in the provincial boundary area.

The work plan includes an estimated 110 line-km of Transient Electromagnetic soundings to delineate areas of potential brines, followed by drilling of up to 6 diamond drill holes to log the basin geology and collect brine samples. Permitting for this work is underway and the program is expected to commence once permits are secured.

#### Pipo-Alcalina V Option Terms

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

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<https://www.albemarle.com/news/albemarle-signs-agreement-for-exclusive-exploration-and-acquisition-rights-to-lithium-resource-in-argentina>. Accessed 03/23

Option Payment US\$	Exploration Expenditure US\$	Year
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	

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

#### Amelia Option Terms

Terms of the option include cash payments totaling US\$2,800,000, and mandatory annual exploration expenditure commitments totaling \$7,000,000 over 4 years. The vendors retain a 2% Net Smelter Royalty (“NSR”) which Argentina Lithium has the ability to repurchase for US\$3,000,000. See also Events After the Reporting Period.

Option Payment US\$	Exploration Expenditure US\$	Year
80,000 (paid)	-	2022
100,000 (paid)	-	2023
200,000 (paid)	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 Terms

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 option grants a 1% NSR to the Vendor, which can be purchased by the Company for an additional US\$1,300,000.

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

#### Lexi-30 Option Terms

Terms of the Lexi-30 option specify two cash payments totaling US\$425,000, including a non-reimbursable initial payment of US\$50,000, and an optional final payment of US\$ 375,000, payable at up to 12 months. The vendor retains a 2% NSR. In the instance that the vendor wishes to transfer or sell the NSR, the Company has the right to match the terms of NSR transference or sale.

#### ***Rincon West Project, Salta***

The Rincon West Project includes mining concessions covering 3,742.8 hectares at the Rincon Salar. The first concession, (“Villanoveño II”) with an area of 2,491 hectares, is located on the west side of the salar and is part of the Rincon-Pocitos option agreement described below. Argentina Lithium announced on July 21, 2022 it had obtained 100% ownership of a second concession, (“Rinconcita II”) covering 460.5 hectares adjacent to and east of Villanoveño II, on the salar. Terms for acquiring the concession include:

- An initial payment to REMSA of USD \$2.5M at the time of signing of the purchase agreement
- REMSA retains a 3% Net Smelter Return (“NSR”)
- The Company proposed an exploration program that includes environmental permitting, ground geophysics and exploratory drilling.

On October 6, 2022, the Company announced another property addition to the project. The Paso de Sico agreement covers 791.3 hectares of concessions via an option that includes cash payments totaling US\$1,500,000 paid over three years, including obligatory payment commitments totaling 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\$1.5 million. The Paso de Sico option agreement also includes a total of US\$2.3 million of exploration and development expenditures over a three-year period. The Paso de Sico concession block is currently undrilled and is undergoing permitting required for exploration geophysics and drilling.

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

On November 8, 2023 the Company announced that it had entered into an option agreement for a fourth property block: the “Don Fermin” concession. Don Fermin is a mining concession granted by the mining authority of Salta Province, located on the eastern flank of the Salar de Rincon, approximately 19 km east of the Rincon West property block. The property has not received significant exploration work previously. Terms of the option include cash payments totaling US\$2,750,000 over 18 months, including an initial non-reimbursable payment of US\$250,000. The Company can advance the dates of the subsequent four payments at its discretion. The vendor retains a 1.5% NSR which can be repurchased for US\$4M. See also Events After the Reporting Period.

Option Payment US\$	Year
250,000 (paid)	2023
500,000 (paid)	2023
750,000	2024
1,000,000	2024
250,000	2025
2,750,000	

The Rincon Salar is situated approximately 90 kilometres west of the town of San Antonio de los Cobres, the largest town in Argentina’s high plain, and approximately 250 kilometres west of the provincial capital city of Salta. It is close to the railway, and just 17 kilometres south of Provincial Route 51, the international road that connects to Chile’s coastal ports. The InterAndes power corridor runs within one kilometre of the Rincon Salar. There are two significant lithium resource development projects on the salar, owned by Rio Tinto (<https://www.riotinto.com/operations/projects/rincon>) and Argosy Minerals ([www.argosyminerals.com.au](http://www.argosyminerals.com.au)) both of which have executed demonstration-scale production of lithium carbonate.

*Argentina Lithium cautions that proximity to a discovery, mineral resource, or mining operation does not indicate that mineralization will occur on the Company’s property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario.*

In March 2022, the Company initiated a deep-seeing Transient Electromagnetic (TEM) sounding survey to delineate areas of potential brines and map the bottom of the basin. Results of the survey were announced May 2, 2022, when the Company reported that modeling of the TEM data suggested that the interpreted brine aquifers extend substantially further west and south than indicated by earlier electrical surveys. Results from the TEM survey were used to target holes for an initial drill campaign that commenced at the end of May.

Permitting to drill nine holes was secured, and a first program of five exploration holes was initiated to test multiple prospective brine targets. Results from the first hole were announced on July 13, 2022. Hole RW-DDH-001 was executed with HQ-size diamond drilling to a depth of 300 metres. The hole entered brackish-to-brine aquifer at approximately 45 metres depth and continued in permeable units to approximately 144 metres, highlighted by a 70 metre thick interval with lithium grades ranging from 225 to 380 mg/litre, potassium from 4035 to 7231 mg/litre and magnesium from 2090 to 3132 mg/litre. Results from holes two through four were released in October (see October 3, 2022 and October 25, 2022 News Releases). Holes two and four returned long brine intervals with very consistent lithium grades. RW-DDH-002 was tested with packer sampling over ~77% of the interval between 182 and 305 metre depths, with lithium values ranging from 337 to 367 mg/litre. The fourth hole (RW-DDH-004) produced the best results to date.

Lithium brines were found to start at 38 metres depth and in the interval from 95 metres to 227 metres depth, lithium values range from 334 to 382 mg/litre over a continuous 132 m interval. Hole RW-DDH-003 was positioned 1.8km to the south and encountered lower grade lithium brines towards the bottom of the hole. Results from holes five and six were announced on January 26, 2023. Hole RW-DDH-006 returned a 153 m interval ranging from 329 to 393 mg/l lithium starting at 167 m depth. This hole was a step-out of 960 m from the prior best intersection reported in RW-DDH-004. On April 24, 2023 the Company announced the results from holes seven and eight of the program. RW-DDH-007 was an in-fill hole in the south-central portion of the basin. Single and double packer sampling returned multiple intervals ranging in concentration from 241 to 340 mg/l lithium throughout a 178 m\* section starting at 143 metres depth (\*no sample was collected from 30 m of this interval). RW-DDH-008 extends drilling to the northwest and infills an undrilled area between holes RW-DDH-005 and 006. Three 15-metre intervals were intersected between 140 and 212 metres depth, with concentrations ranging from 228 to 355 mg/l. The ninth and final hole of the program was reported on May 31, 2023. Hole nine returned the highest peak lithium value and longest concentrated brine interval reported to date on the Rincon West project: 258 m ranging from 287 to 402 mg/l lithium. (Two portions of this interval were not sampled, one length of 42 m and a second length of 33 m.) brine zone remains open to the north, clearly demonstrating the requirement to expand drilling in this direction in a future campaign. Overall, the program demonstrated that the concentrated brines from the neighboring salt flat extend through the western basin, and the prospect remains open to identifying additional lithium-rich brines in several directions.

In July 2023, following the receipt of new permits, the Company completed 12 line-km of Controlled Source Audio-frequency Magnetotelluric (CSAMT) geophysics surveys over the Rinconcita II property, demonstrating the presence of extremely conductive strata (low resistivity) at less than 100 metres below surface, consistent with formations saturated with lithium-bearing brines.

This work helped site holes for the new drill campaign that commenced in September, as announced on October 19, 2023. The new program is anticipated to include five diamond holes to test for brines and one rotary drill well for pump testing.

Brine sampling is mainly conducted using packer sampling during drilling which allows the collection of brine samples at specific depths while sealing the hole at the bottom and at the top of the interval. Samples of brine were submitted for analysis to Alex Stewart International Argentina S.A., the local subsidiary of Alex Stewart International, an ISO 9001:2008 certified laboratory, with ISO 17025:2005 certification for the analysis of lithium and potassium. The quality of sample analytical results was controlled and assessed with a protocol of blank, duplicate and standard samples included within the sample sequence. Differences between original and duplicate samples and results for standards and blanks were considered within the acceptable range for lithium.

## ***Pocitos Project***

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

The optioned properties are believed to have had little prior exploration and no drilling with the exception of the group of concessions in the Rincon-Pocitos option (see below) which have had modest geophysics and surface sampling, with very limited drilling. The Company plans up to 121 line-km of Transient Electromagnetic soundings to detect and delineate brines for testing by up to four drill holes, initially.

### Rincon-Pocitos Option

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

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 (paid)	-	-	2023
500,000	-	-	2024
2,400,000	-	-	2024
4,200,000	850,000	2,487,531	

### El Pidio GIII and Aguamarga Options

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

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 (issued)	41,667 (issued)	2023
35,000	20,000	66,667	2024
100,000	25,000	83,333	2025
165,000	81,500	258,334	

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

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	-	-	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	

The number of common shares of the Company issuable under the option agreements are calculated based on the discounted market price of \$0.30 per share on the Exchange on January 7, 2022. All shares issued pursuant to the terms of the option agreements are subject to a hold period under applicable securities laws for a period of four months from the date of issuance.

#### Ramos Option

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

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

#### **Results of Operations – For the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022**

During the nine months ended September 30, 2023, loss from operating activities increased by \$3,813,207 to \$6,902,658 compared to \$3,089,451 in loss from operating activities for the nine months ended September 30, 2022. The increase in loss from operating activities is largely due to:

- An increase of \$2,763,743 in exploration expenditures. Exploration expenditures were \$4,271,264 for the nine months ended September 30, 2023, compared to \$1,507,521 for the nine months ended September 30, 2022. The Company undertook higher exploration work including the drilling program at Rincon West project during the nine months ended September 30, 2023 compared to less exploration work including geophysics program at Rincon West project during the nine months ended September 30, 2022.
- An increase of \$127,463 in corporate development and investor relations. Corporate development and investor relations were \$860,791 for the nine months ended September 30, 2023, compared to \$733,328 for the nine months ended September 30, 2022. The increase is due to greater activities related to promotion of the Company’s projects during the nine months ended September 30, 2023, compared to fewer activities related to promotion of the Company’s projects during the nine months ended September 30, 2022.



- An increase of \$720,196 in legal and professional fees. Legal and professional fees were \$857,107 for the nine months ended September 30, 2023, compared to \$136,911 for the nine months ended September 30, 2022. The increase is due to the Company requiring more professional advice for its negotiations regarding the Stallantis investment during the nine months ended September 30, 2023.

### **Other Items**

During the nine months ended September 30, 2023, other income increased by \$2,000,160 to \$2,226,335 compared to \$226,175 for the nine months ended September 30, 2022. The increase in other items is largely due to:

- An increase of \$2,268,245 in foreign exchange gain. Foreign exchange gain was \$2,079,605 for the nine months ended September 30, 2023 compared to a foreign exchange loss of \$188,640 for the nine months ended September 30, 2022. The increase is due to the fluctuation in foreign exchange rates and differing amounts of foreign currencies held during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

The net loss and comprehensive loss for the nine months ended September 30, 2023 was \$4,676,323 or \$0.04 per basic and diluted share compared to a net loss and comprehensive loss of \$2,863,276 or \$0.04 per basic and diluted share for the nine months ended September 30, 2022.

### **Cash Flow**

#### **Operating Activities**

Cash outflow from operating activities was \$5,256,008 for the nine months ended September 30, 2023 compared to \$3,200,282 for the nine months ended September 30, 2022. The increase in cash outflows is primarily due to higher exploration expenditures, corporate and administrative cash costs, as well as changes in non-cash working capital balances due to timing of receipt and payment of cash during the nine months ended September 30, 2023.

#### **Investing Activities**

Cash outflow from investing activities was \$2,084,470 for the nine months ended September 30, 2023, compared to \$386,089 for the nine months ended September 30, 2022. Expenditures on mineral property interests were \$2,084,470 during the nine months ended September 30, 2023 compared to \$386,089 during the nine months ended September 30, 2022.

#### **Financing Activities**

Cash inflow from financing activities was \$197,500 for the nine months ended September 30, 2023 compared to \$3,329,740 for the nine months ended September 30, 2022. Proceeds from issuance of common shares and warrants net of share issue costs were \$Nil for the nine months ended September 30, 2023 compared to \$3,289,740 for the nine months ended September 30, 2022. Proceeds from warrants exercised were \$97,500 for the nine months ended September 30, 2023 compared to \$Nil for the nine months ended September 30, 2022. Proceeds from loans payable were \$100,000 for the nine months ended September 30, 2023, compared to \$Nil for the nine months ended September 30, 2022. Proceeds from stock options exercised were \$Nil for the nine months ended September 30, 2023 compared to \$40,000 for the nine months ended September 30, 2022.

### **Results of Operations – For the three months ended September 30, 2023 compared to the three months ended September 30, 2022**

During the three months ended September 30, 2023, loss from operating activities increased by \$830,949 to \$2,478,309 compared to \$1,647,360 in loss from operating activities for the three months ended September 30, 2022. The increase in loss from operating activities is largely due to:

- An increase of \$229,291 in exploration expenditures. Exploration expenditures were \$1,200,927 for the three months ended September 30, 2023, compared to \$971,636 for the three months ended September 30, 2022. The Company undertook higher exploration work including the drilling program at Rincon West project during the three months ended September 30, 2023 compared to less exploration work including geophysics program at Rincon West project during the three months ended September 30, 2022.

- An increase of \$702,288 in legal and professional fees. Legal and professional fees were \$765,772 for the nine months ended September 30, 2023, compared to \$63,484 for the nine months ended September 30, 2022. The increase is due to the Company requiring more professional advice for its negotiations regarding the Stallantis investment during the three months ended September 30, 2023.

The increases were partially offset by:

- A decrease of \$173,925 in corporate development and investor relations. Corporate development and investor relations were \$171,524 for the three months ended September 30, 2023, compared to \$345,449 for the three months ended September 30, 2022. The decrease is due to fewer activities relating to promotion of the Company's projects during the three months ended September 30, 2023 compared to a greater number of activities relating to promotion of the Company's projects during the three months ended September 30, 2022.

### **Other Items**

During the three months ended September 30, 2023, other income increased by \$1,028,100 to \$1,306,327 compared to \$278,227 for the three months ended September 30, 2022. The increase in other items is largely due to:

- An increase of \$1,289,140 in foreign exchange gain. Foreign exchange gain was \$1,253,018 for the three months ended September 30, 2023 compared to foreign exchange loss of \$36,122 for the three months ended September 30, 2022. The increase is due to the fluctuation in foreign exchange rates and differing amounts of foreign currencies held during the three months ended September 30, 2023 compared to the three months ended September 30, 2022.

The net loss and comprehensive loss for the three months ended September 30, 2023 was \$1,171,982 or \$0.01 per basic and diluted share compared to a net loss and comprehensive loss of \$1,369,133 or \$0.02 per basic and diluted share for the three months ended September 30, 2022.

### **Statement of Financial Position**

At September 30, 2023, the Company had total assets of \$10,423,283, which is a decrease of \$5,166,300 from \$15,589,583 in total assets at December 31, 2022. This decrease is primarily due to decrease in cash of \$7,142,978, partially offset by increase in exploration and evaluation assets of \$2,084,470 during the nine months ended September 30, 2023.

### **Selected Quarterly Financial Information**

	2023			2022			2021	
	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sep. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss	(1,171,982) <sup>(1)</sup>	(2,337,873) <sup>(2)</sup>	(1,166,468) <sup>(3)</sup>	(5,619,918) <sup>(4)</sup>	(1,369,133) <sup>(5)</sup>	(828,448) <sup>(6)</sup>	(665,695) <sup>(7)</sup>	(855,867) <sup>(8)</sup>
Loss per Common Share Basic and Diluted	(0.01)	(0.01)	(0.01)	(0.05)	(0.02)	(0.01)	(0.01)	(0.01)

- (1) Variance from prior quarter primarily due to decrease in exploration expenditures of \$824,381, corporate development and investor relations of \$92,891, partially offset by increase in foreign exchange gain of \$1,041,186 and legal and professional fees of \$711,285.
- (2) Variance from prior quarter primarily due to increase in exploration expenditures of \$980,279, partially offset by decrease in foreign exchange gain of \$402,923, and corporate development and investor relations of \$160,437.
- (3) Variance from prior quarter primarily due to decrease in share-based compensation of \$1,755,526, exploration expenditures of \$1,522,324, corporate development and investor relations of \$317,996, interest income of \$75,263, partially offset by increase in foreign exchange gain of \$834,450.
- (4) Variance from prior quarter primarily due to increase in exploration expenditures of \$1,595,717, share-based compensation of \$1,811,209, corporate development and investor relations of \$397,399, and foreign exchange loss of \$183,573, partially offset by decrease in interest income of \$189,799.
- (5) Variance from prior quarter primarily due to increase in exploration expenditures of \$627,375, foreign exchange loss of \$89,668, and corporate development and investor relations of \$79,580, partially offset by increase in interest income of \$312,094.

- (6) Variance from prior quarter primarily due to increase in exploration expenditures of \$152,737, corporate development and investor relations of \$143,859, partially offset by decrease in foreign exchange loss of \$259,610, and interest income of \$95,956.
- (7) Variance from prior quarter primarily due to decrease in corporate development and investor relations of \$565,279, partially offset by increase in exploration expenditures of \$253,076, foreign exchange loss of \$211,098, interest income of \$87,832, and consulting fees of \$77,991.
- (8) Variance from prior quarter primarily due to increase in corporate development and investor relations of \$545,357, partially offset by decrease in share-based compensation of \$470,995, and exploration expenditures of \$227,162.

### **Liquidity and Capital Resources**

The Company has experienced recurring operating losses and has an accumulated operating deficit of \$43,655,388 and shareholders' equity of \$9,158,686 at September 30, 2023. In addition, the Company has negative cash flow from operating activities of \$5,256,008. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company's 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's cash and cash equivalents position at September 30, 2023 was \$987,169, a decrease of \$7,142,978 from the December 31, 2022 balance of \$8,130,147. The Company had a working capital deficiency at September 30, 2023 of \$(98,048), a decrease of \$6,583,982 from \$6,485,934 of working capital at December 31, 2022. 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. The Company does not know of any trends, demand, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the exploration programs. The Company does not have any restrictions on the use of its cash resources.

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.

The Company's condensed consolidated interim financial statements for the nine months ended September 30, 2023 do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

### **Appointment of PI Financial as Market Maker**

On August 29, 2022, the Company announced that it has retained PI Financial Corp. ("PI") to provide market making services in accordance with TSX Venture Exchange policies.

PI will trade the securities of the Company on the TSX-V for the purposes of maintaining an orderly market. In consideration of the services provided by PI, the Company will pay PI a monthly cash fee of \$4,000 for minimum term of three months and renewable thereafter. The Company and PI are unrelated and unaffiliated entities. PI will not receive shares or options as compensation and does not hold any shares in the Company for long term investment purposes for the benefit of PI Financial. The capital used for market making will be provided by PI.

### **Capital Stock**

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

### *Details of Issues of Common Shares in 2023*

There were no shares issued for private placement during the nine months ended September 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 \$9,085,236. 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.

### *Outstanding Share Data*

As at September 30, 2023, an aggregate of 130,215,319 common shares were issued and outstanding. At the date of this report, 131,158,649 common shares were issued and outstanding.

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

<b>Number of Stock Options</b>		<b>Exercise Price (CAD\$)</b>	<b>Expiry Date</b>
<b>Outstanding</b>	<b>Exercisable</b>		
2,650,000	2,650,000	0.20	July 9, 2026
225,000	225,000	0.18	September 3, 2026
8,016,000	8,016,000	0.35	December 8, 2027
300,000	300,000	0.35	January 13, 2028
150,000	150,000	0.30	May 8, 2028
11,341,000	11,341,000		

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

<b>Number of Warrants Outstanding</b>	<b>Exercise Price (CAD\$)</b>	<b>Expiry Date</b>
4,250,000	0.15	April 14, 2024
6,288,047	0.70	November 10, 2024
5,098,767	0.70	November 29, 2024
2,437,635	0.70	December 10, 2024
6,396,300	0.38	August 11, 2024
10,415,000	0.38	August 25, 2024
35,856,988	0.40	November 21, 2024
70,742,737		

### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

### **Contractual Commitments**

#### *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.

The Company has a consulting agreement with its Chairman of the Board (the "Chairman Agreement"). The termination provisions of the Chairman Agreement provide that a fee of 30 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Chairman would receive an amount equal to 30 months' compensation. As of September 30, 2023, the Company would have to pay \$450,000 to the Chairman in the event of termination without cause or a change of control.

The Company has a consulting agreement with its President and CEO (the "CEO Agreement"). The termination provisions of the CEO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CEO would receive an amount equal to 30 months' compensation. As of September 30, 2023, the Company would have to pay \$482,850 to the CEO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$64,080 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$76,896 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its VP Exploration (the “VP Exploration Agreement”). The termination provisions of the VP Exploration Agreement provide that a fee of 3 months’ compensation based on the average of the previous 6 monthly fees be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the VP Exploration would receive an amount equal to 3 months’ compensation based on the average of the previous 6 monthly fees. As of September 30, 2023, the Company would have to pay \$49,621 to the VP Exploration in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the “Controller Agreement”). The termination provisions of the Controller Agreement provide that a fee of 12 months’ compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months’ compensation. As of September 30, 2023, the Company would have to pay \$36,000 to the Controller in the event of termination without cause or a change of control.

### **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 six 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.

	<u>Nine months ended September 30,</u>	
	2023	2022
<b>Transactions</b>	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	89,400	88,200
Office & sundry	18,000	18,200
<b>Total for services rendered</b>	<b>107,400</b>	<b>106,200</b>

### **Compensation of key management and directors**

Key management personnel of the company are the President and CEO, CFO and Vice President of Exploration.

	Nine months ended September 30,		
	2023	2022	
<b>Transactions</b>	\$	\$	
Compensation paid to key management and directors or their consulting corporations:			
Niko Cacos	President/CEO	144,705	135,000
Darren Urquhart	CFO	24,344	22,500
Martin Burian	Director	12,000	-
Joseph Grosso	Director	135,000	135,000
John Gammon	Director	9,000	9,000
David Terry	Director/Consultant	36,000	36,000
Miles Rideout	VP Exploration	124,086	130,252
<b>Total for services rendered</b>		<b>485,135</b>	<b>467,752</b>

	Nine months ended September 30,	
	2023	2022
<b>Balances</b>	\$	\$
Amounts owed to related parties included in accounts payable and accrued liabilities		
Payable to Golden Arrow Resources Corp. <sup>(1)</sup>	83,761	63,028
Payable to Grosso Group Management Ltd. <sup>(2)</sup>	49,886	27,735
Payable to Oxbow International Marketing Ltd. <sup>(2)</sup>	3,210	1,198
<b>Total owed to related parties included in accounts payable and accrued liabilities</b>	<b>136,857</b>	<b>91,961</b>
<b>Loan payable to CEO (see also Events After the Reporting Period)</b>	<b>100,000</b>	<b>-</b>

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

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

Amounts owed to related parties included in accounts payable and accrued liabilities, are unsecured, non-interest bearing and have no specific terms of repayment. The loan payable to CEO is unsecured, non-interest bearing and due on demand.

### **Events After the Reporting Period**

#### *Stellantis*

On October 5, 2023, the Company signed a definitive agreement (the “Investment Agreement”) with Peugeot Citroen Argentina S.A., a subsidiary of Stellantis N.V. (“Stellantis”) for an investment in Argentina of Argentina Pesos equivalent to US\$90 million at the official foreign exchange rate in exchange (the “Transaction”) for issuing shares equal to a 19.9% common share ownership interest (the “ALE shares”) in the Company’s subsidiary, Argentina Lito Y Energia S.A (“ALE”). The proceeds of the Transaction will be used to advance development of the Company’s lithium projects held through its wholly owned subsidiary in Argentina, and for general corporate purposes.

At closing of the Transaction, Argentina Lithium and Stellantis entered into an exchange agreement (the “Exchange Agreement”). Under the Exchange Agreement, Argentina Lithium grants Stellantis an irrevocable right (the “Exchange Right”) to exchange all of the ALE Shares then held by Stellantis for such number of Common Shares equaling 24.844% of (i) the outstanding Common Shares (on an undiluted basis) as of the date of the Exchange Agreement and (ii) Common Shares issued by Argentina Lithium (between the date of the Exchange Agreement and the date Stellantis exercises the Exchange Right) upon the exercise of warrants, stock options or other securities convertible or exchangeable into Common Shares existing as of the date of the Exchange Agreement (together, the “Exchange Shares”), subject to certain exchange conditions. Following the issuance of Exchange Shares, Stellantis will own at most 19.9% of the Common Shares (on an undiluted basis). In addition, Argentina Lithium will grant Stellantis an irrevocable right (the “Top-Up Right”) to subscribe for additional Common Shares (the “Additional Shares”) if necessary for Stellantis to achieve a 19.9% interest in the Common Shares (on an undiluted basis). Any Additional Shares Stellantis elects to purchase pursuant to the Top-Up Right will be issued at the maximum discounted market price permitted under the rules and policies of the TSXV, unless the Top-Up Right is exercised after an acquisition of Argentina Lithium, in which case the subscription price under the Top-Up Right will be the

pre-announcement market price of shares of Argentina Lithium. Any issuance of Additional Shares will be subject to the prior approval of the TSXV.

Stellantis will not have the right under the Exchange Right and the Top-Up Right to acquire more than 19.9% of the outstanding Common Shares following the issuance of Exchange Shares and Additional Shares, if any. The Exchange Agreement also provides Stellantis with observer rights to attend board meetings of Argentina Lithium for as long as Stellantis owns at least 10% of the issued and outstanding ALE Shares.

Argentina Lithium and Stellantis entered into a Lithium Offtake Agreement (the “Offtake Agreement”). Under the Offtake Agreement, ALE has agreed to sell to Stellantis, and Stellantis has agreed to purchase from ALE up to 15,000 tonnes per annum of lithium produced by ALE over a seven-year period (the “Supply Obligation”) subject to the terms and conditions set out in the Offtake Agreement. After the initial seven-year term, the Offtake Agreement may be extended by mutual agreement for an additional number of years. The price of lithium products sold by ALE under the Offtake Agreement will be based on an agreed market-based price formula at the time of each shipment. The commencement of the Supply Obligation of ALE is conditional on the successful start of commercial production at one or more of its projects. The Offtake Agreement also contains certain product qualification, certification and reporting requirements and provides Stellantis with a right to acquire any production prior to the commencement of the Supply Obligation and a right of first refusal on the sale to third parties of any lithium products (in excess of the Supply Obligation) after the commencement of commercial production.

Argentina Lithium, ALE and Stellantis will enter into a Shareholders’ Agreement (the “Shareholders’ Agreement”) relating to ALE and Stellantis’ ownership of ALE Shares and provides for the following principal terms:

- right of Stellantis to nominate one director to the board of directors of ALE (“Stellantis Director”) for as long as Stellantis has an ownership position of not less than 10% of the issued and outstanding ALE Shares;
- certain corporate decisions of ALE may not be undertaken without the affirmative vote the Stellantis Director or the approval by shareholders holding more than 90% of the issued and outstanding ALE Shares;
- right of each shareholder to maintain its ownership percentage in any equity offerings by ALE;
- transfer restrictions including, rights of first refusal, drag-along and tag-along rights;
- right of first offer for Stellantis to provide project financing and any other borrowing by ALE; and
- other terms and conditions consistent with a transaction of this nature.

In addition, upon exercise of the Exchange Right, Argentina Lithium will enter into an Investor Rights Agreement with Stellantis (the “Stellantis IRA”). The Stellantis IRA provides for the following principal terms in favour of Stellantis:

- a right to nominate one director to the board of directors of Argentina Lithium for as long as Stellantis has an ownership position of not less than 10% of the issued and outstanding Common Shares;
- pre-emptive right to maintain ownership percentage in certain follow-on issuances of Common Shares or securities convertible into Common Shares; and
- other terms and conditions consistent with a transaction of this nature.

Closing of the Transaction was subject to the Company obtaining TSXV approval, ALE completing certain corporate actions relating to the Transaction and other closing conditions set out in the Investment Agreement.

#### *Pocitos Project*

The Company paid the US\$250,000 option payment due at 24 months for the Rincon-Pocitos option agreement.

#### *Antofalla Project*

The Company paid the US\$200,000 option payment due at 18 months for the Amelia option agreement.

#### *Rincon West Project*

The Company paid the US\$500,000 option payment due at 4 months for the Don Fermin option agreement.



### *Loans from CEO*

On October 4, 2023, the Company borrowed \$270,000 from the Company's CEO that was used for working capital purposes (see also Related Party Balances and Transactions). On November 6, 2023, the Company repaid all loans owing to the CEO totalling \$370,000.

### **Critical Accounting Estimates and New Accounting Standards and Interpretations**

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

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2023. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

### ***New Accounting Standards and Interpretations***

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.

### **Financial Risk Management**

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

#### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivables. The Company has reduced its credit risk by depositing its cash and cash equivalents with financial institutions that operate globally.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and anticipates doing so again in the future.

#### ***Market risk***

##### ***(i) Currency risk***

Financial instruments that impact the Company's net earnings due to currency fluctuations in cash and cash equivalents, accounts payable and loans payable usually denominated in US Dollars and Argentinean pesos. A 10% change in US dollar and the Argentinean peso exchange rates relative to Canadian dollar would have 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 \$23,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$82,000.

(ii) ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest. The fair value of cash and cash equivalents approximates its carrying values due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

**Risk Factors and Uncertainties**

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

*History of losses:* The Company has historically incurred losses as evidenced by its condensed consolidated interim financial statements for the nine months ended September 30, 2023 and 2022. The Company has financed its operations principally through the sale of its equity securities. The Company does not anticipate that it will earn any revenue from its operations until its properties are placed into production, if ever. If the Company is unable to place its properties into production, the Company may never realize revenues from operations, will continue to incur losses and you may lose the value of your investment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Additional Information**

Additional information relating to the Company, including news releases, financial statements and prior MD&A filings, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company maintains a website at [www.argentinalithium.com](http://www.argentinalithium.com), and has not entered into any agreements with any investor relations firms.