
Argentina Lithium & Energy Corp.
(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2024 \$	December 31, 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	1,407,391	6,132,851
Restricted cash	14	-	5,721,535
Accounts receivables		21,487	70,269
Prepaid expenses	3	41,394,779	49,501,966
Total current assets		42,823,657	61,426,621
Non-current assets			
Exploration and evaluation assets	4	24,828,620	19,078,864
Investments	5	-	1,322,600
Total non-current assets		24,828,620	20,401,464
Total Assets		67,652,277	81,828,085
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	862,362	1,585,576
Derivative liability	7	590,371	4,364,167
Total liabilities		1,452,733	5,949,743
EQUITY			
Share capital	6	38,828,350	38,179,047
Reserves	6	14,800,474	14,882,277
Obligation to issue shares	7	271,950	122,460
Retained earnings		2,083,598	10,252,054
Total shareholders' equity		55,984,372	63,435,838
Non-controlling interest	7	10,215,172	12,442,504
Total equity		66,199,544	75,878,342
Total Equity and Liabilities		67,652,277	81,828,085

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Notes 4 and 12)

CONTINGENCY (Notes 13)

SUBSEQUENT EVENTS (Note 16)

These consolidated financial statements are authorized for issue by the Board of Directors on November 27, 2024. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"Martin Burian" , Director

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

Argentina Lithium & Energy Corp.
Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Accounting and audit		-	-	91,875	-
Consulting fees	10	173,127	217,137	518,132	560,359
Corporate development and investor relations		136,430	171,524	795,581	860,791
Exploration	4	2,309,874	1,200,927	7,264,330	4,271,264
Legal and professional fees		44,040	765,772	813,297	857,107
Management fees	10	93,000	30,000	279,000	89,400
Office and sundry	10	87,353	15,439	173,241	51,774
Rent, parking and storage		7,578	5,379	30,422	14,016
Share-based compensation		-	-	-	79,311
Transfer agent and regulatory fees		13,156	70,582	39,318	92,855
Travel		-	1,549	15,885	25,781
Loss from operating activities		(2,864,558)	(2,478,309)	(10,021,081)	(6,902,658)
Other income (loss)					
Foreign exchange (loss) gain		(3,632,762)	517,280	(4,508,730)	(254,407)
Gain on sale of marketable securities		221,184	735,738	566,979	2,334,012
Fair value adjustment of derivative liability	7	272,399	-	3,624,306	-
Interest income		6,700	53,309	47,181	146,730
Loss on sale of investments	5	(104,443)	-	(104,443)	-
Total other (loss) income		(3,236,922)	1,306,327	(374,707)	2,226,335
Total loss and comprehensive loss		(6,101,480)	(1,171,982)	(10,395,788)	(4,676,323)
Loss attributable to:					
Shareholders of the Company		(4,956,335)	(1,171,982)	(8,168,456)	(4,676,323)
Non-controlling interest		(1,145,145)	-	(2,227,332)	-
Total loss and comprehensive loss		(6,101,480)	(1,171,982)	(10,395,788)	(4,676,323)
Basic and diluted loss per common share	8	(0.05)	(0.01)	(0.08)	(0.04)

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

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

	Nine months ended September 30,	
	2024	2023
	\$	\$
Cash flows from operating activities		
Loss for the period	(10,395,788)	(4,676,323)
Adjustments for:		
Fair value adjustment of derivative liability	(3,624,306)	-
Share-based compensation	-	79,311
Foreign exchange loss	(4,508,730)	-
Changes in non-cash working capital items:		
Decrease (increase) in accounts receivables	48,782	(5,021)
Decrease in prepaid expenses	8,107,187	112,813
Decrease in accounts payable and accrued liabilities	(723,214)	(766,788)
Net cash used in operating activities	(11,096,069)	(5,256,008)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(5,519,756)	(2,084,470)
Proceeds from sale of investments	1,248,457	-
Net cash received used in investing activities	(4,271,299)	(2,084,470)
Cash flows from financing activities		
Warrants exercised	337,500	97,500
Loan proceeds received	-	100,000
Net cash received from financing activities	337,500	197,500
Foreign exchange effect on cash, cash equivalents, and investments	4,582,873	-
Net decrease in cash, cash equivalents, and restricted cash during the period	(10,446,995)	(7,142,978)
Cash, cash equivalents, and restricted cash at beginning of period	11,854,386	8,130,147
Cash, cash equivalents, and restricted cash at end of period	1,407,391	987,169

SUPPLEMENTARY CASH FLOW INFORMATION (Note 14)

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

Argentina Lithium & Energy Corp.
Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves							Total equity
	Number of shares	Amount \$	Contributed surplus \$	Equity settled share-based payments \$	Warrants \$	Obligation to issue shares \$	Retained earnings (deficit) \$	Total shareholders' equity \$	Non-controlling interest \$	
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	-	13,658,198
Shares issued for property option (Note 4(c))	503,334	151,000	-	-	-	(151,000)	-	-	-	-
Warrants exercised	400,000	118,105	-	-	(20,605)	-	-	97,500	-	97,500
Share-based compensation	-	-	-	79,311	-	-	-	79,311	-	79,311
Stock options expired	-	-	1,058,216	(1,058,216)	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(4,676,323)	(4,676,323)	-	(4,676,323)
Balance at September 30, 2023	130,215,319	37,880,207	6,366,823	2,288,754	6,278,290	-	(43,655,388)	9,158,686	-	9,158,686
Shares issued for property option (Note 4(c))	-	-	-	-	-	-	-	-	-	-
Contributions from Stellantis transaction (Note 7)	-	-	-	-	-	-	95,174,377	95,174,377	22,497,729	117,672,106
Obligation to issue shares (Note 7)	-	-	-	-	-	122,460	-	122,460	-	122,460
Warrants exercised	943,330	298,840	-	-	(51,590)	-	-	247,250	-	247,250
Total comprehensive loss for the period	-	-	-	-	-	-	(41,266,935)	(41,266,935)	(10,055,225)	(51,322,160)
Balance at December 31, 2023	131,158,649	38,179,047	6,366,823	2,288,754	6,226,700	122,460	10,252,054	63,435,838	12,442,504	75,878,342
Shares issued for property option (Note 4(c))	766,667	230,000	-	-	-	-	-	230,000	-	230,000
Obligation to issue shares (Note 7)	-	-	-	-	-	149,490	-	149,490	-	149,490
Warrants exercised	2,250,000	419,303	-	-	(81,803)	-	-	337,500	-	337,500
Warrants and agents' warrants expired	-	-	91,204	-	(91,204)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(8,168,456)	(8,168,456)	(2,227,332)	(10,395,788)
Balance at September 30, 2024	134,175,316	38,828,350	6,458,027	2,288,754	6,053,693	271,950	2,083,598	55,984,372	10,215,172	66,199,544

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

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Argentina Lithium & Energy Corp. (the “Company” or “Argentina Lithium”) was incorporated on April 11, 2000 in the Province of British Columbia and was transitioned under the Business Corporations Act (BC) on June 17, 2004. In September 2016, the Company changed its name to Argentina Lithium & Energy Corp. (formerly Iron South Mining Corp.) trading on the TSX Venture Exchange (“TSX-V”) under the symbol “LIT”. The address of the Company’s registered office is Suite 411 – 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 IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) 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 accumulated retained earnings of \$2,083,598, working capital of \$41,370,924, and shareholders’ equity of \$55,984,372 at September 30, 2024. In addition, the Company has negative cash flow from operating activities of \$11,096,069 for the nine months ended September 30, 2024. Working capital is defined as current assets less current liabilities and provides a measure of the Company’s ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management’s plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company’s 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, 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.

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and using accounting policies in full compliance with IFRS issued by the IASB, 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, 2023, audited annual financial statements.

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars unless otherwise noted (amounts in U.S. dollars are denoted as "US\$" or "USD", amounts in Argentina pesos are denoted as "ARS\$").

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

	Place of Incorporation	Principal Activity	Ownership Interest	
			2023	2022
Amera-Chile S.C.M.	Chile	Holding company	100%	100%
Argentina Litio Y Energia S.A.	Argentina	Exploration company	80.1%	100%
Hierros Del Sur S.A.C.	Peru	Holding company	-	100%

On November 21, 2023, the Company deregistered Hierro Del Sur S.A.C. in Peru.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated 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.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interest

A non-controlling interest ("NCI") represents the equity in a subsidiary not attributable, directly or indirectly, to the Company. NCI is recognized at its proportionate share of the value of identifiable net assets acquired on initial recognition.

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. MATERIAL ACCOUNTING POLICIES (continued)

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

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

Critical accounting judgments and significant estimates

- 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. The Company received a significant investment of Argentina Pesos during the year, but the valuation of the investment was made using the official exchange rate with US dollars. 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 nine months ended September 30, 2024, management has determined there were no impairment indicators present with respect to the Company's exploration and evaluation assets.

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

2. MATERIAL ACCOUNTING POLICIES (continued)

- iv. The identification of components on the partial sale of the Company's subsidiary, Argentina Lito Y Energia S.A ("ALE") is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The potential Common Share issuances in regard to top-up rights are considered derivative liabilities and therefore measured at fair value through profit or loss. The Company uses the Black Scholes pricing model to estimate the fair value of such top-up rights at inception, and subsequently at year end. The key assumption used in the model is the expected future volatility of the price of the Company's Common Shares. The impact of changes in these key assumptions is described in Note 7.

New and amended IFRS standards that are effective for the current period:

Amendments to IAS 1, Classification of Liabilities as Current or Non-current (effective January 1, 2024) 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.

New Accounting Standards and Interpretations not yet effective

The following new standards, amendments and interpretations have been issued but are not effective for the nine months ended September 30, 2024 and accordingly, have not been applied in preparing these condensed consolidated interim financial statements.

Amendments to IAS 21, Lack of Exchangeability (effective January 1, 2025) requires companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and when it cannot, in determining the exchange rate to use and the disclosures to provide.

3. PREPAID EXPENSES

On October 9, 2023, the Company entered into an agreement with AGV Falcon Drilling SRL and prepaid ARS\$13,279,849,068 pesos equivalent to \$51,791,411 for drilling services of up to 15,500 metres at its Antofalla and Rincon West properties. As of September 30, 2024, the Company estimates that 13,836 metres of prepaid drilling services remained with a value of ARS\$12,514,706,270 pesos equivalent to \$41,321,848.

	September 30, 2024	December 31, 2023
Balances	\$	\$
Prepaid drilling services	41,321,848	49,137,409
Other prepaid expenses	72,931	364,557
Total prepaid expenses	41,394,779	49,501,966

4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each exploration and evaluation asset that the Company holds title to as at September 30, 2024 and 2023.

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition Costs

	Argentina				Total
	Incahuasi	Antofalla	Rincon West	Pocitos	
	\$	\$	\$	\$	\$
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	-	736,435	1,209,015	139,020	2,084,470
Balance – September 30, 2023	66,972	1,566,385	5,846,848	1,776,529	9,256,734
Additions					
Option payments, staking costs, land payments and acquisition costs	43,144	4,693,619	2,709,296	2,376,071	9,822,130
Balance – December 31, 2023	110,116	6,260,004	8,556,144	4,152,600	19,078,864
Additions					
Option payments, staking costs, land payments and acquisition costs	-	1,205,915	2,946,525	1,597,316	5,749,756
Balance – September 30, 2024	110,116	7,465,919	11,502,669	5,749,916	24,828,620

Exploration Expenditures

	Argentina					Total
	Incahuasi	Antofalla	Rincon West	Pocitos	Other	
	\$	\$	\$	\$	\$	\$
Cumulative exploration expenses						
December 31, 2023	2,989,454	528,849	12,055,947	301,876	81,921	15,958,047
Expenditures during the period:						
Assays	-	-	49,023	4,231	-	53,253
Drilling	-	-	2,572,231	-	-	2,572,231
Geophysics	127,842	200,837	232,510	13,466	-	574,655
Office	33,249	16,765	501,904	22,276	-	574,194
Professional fees	26,935	13,468	390,562	17,957	-	448,921
Property maintenance payments	6,422	17,285	13,678	-	-	37,385
Salaries and contractors	74,957	89,777	1,647,820	58,183	-	1,870,737
Social and community	3,973	1,092	3,808	2,666	-	11,540
Supplies and equipment	6,266	13,199	116,804	2,798	-	139,066
Transportation	19,429	16,215	202,931	6,178	-	244,753
Statutory taxes	14,407	18,712	287,310	8,625	-	329,055
Travel costs	4,584	25,747	311,780	66,428	-	408,539
	318,064	413,097	6,330,361	202,808	-	7,264,330
Cumulative exploration expenses						
September 30, 2024	3,307,518	941,946	18,386,308	504,684	81,921	23,222,377

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Argentina					Total
	Incahuasi	Antofalla	Rincon West	Pocitos	Other	
	\$	\$	\$	\$	\$	\$
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	2,988	-	39,136	-	-	42,124
Drilling	-	-	959,859	-	-	959,859
Geophysics	5,511	-	497,500	-	-	503,011
Office	2,821	16,928	265,198	-	-	284,947
Professional fees	1,916	11,629	197,751	-	2,224	213,520
Property maintenance payments	81,807	36,240	31,835	-	10,125	160,007
Salaries and contractors	1,420	8,523	656,218	-	-	666,161
Social and community	302	1,824	45,706	-	-	47,832
Supplies and equipment	30,757	73,775	393,006	-	-	497,538
Transportation	13,506	11,296	203,869	-	-	228,671
Statutory taxes	19,989	22,738	485,635	-	1,750	530,112
Travel costs	43	257	137,182	-	-	137,482
	161,060	183,210	3,912,895	-	14,099	4,271,264
Cumulative exploration expenses						
September 30, 2023	2,715,431	552,267	7,735,520	2,228	72,327	11,077,773

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. The Company paid the remaining option payments to obtain a 100% interest in the Optioned Properties during the year ended December 31, 2023.

Argentina Lithium & Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pipo-Alcalina V Option (continued)

Option Payment US\$	Year
100,000 (paid)	2021
300,000 (paid)	2022
400,000 (paid)	2023
1,700,000 (paid)	2024
1,500,000 (paid)	2025
4,000,000	

Amelia Option

On June 30, 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 that comes into effect following the receipt of exploration permits. The vendor retains a 2% Net Smelter Royalty which can be repurchased for US\$3,000,000.

Option Payment US\$	Year
80,000 (paid)	2022
300,000 (paid)	2023
300,000 (paid)	2024
900,000	2025
1,220,000	2026
2,800,000	

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 (paid)	2023
200,000 (paid)	2024
250,000	2025
590,000	

Argentina Lithium & Energy Corp.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Lexi Option

The Company entered into an option agreement to acquire 100% interest in a single mining concession on the Antofalla Salar, wholly within the Catamarca mining registry. Terms of the Lexi-30 option specify two cash payments totaling US\$425,000, including an 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.

Option Payment US\$	Year
50,000 (paid)	2023
375,000 (paid)	2024
425,000	

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. The Company paid the remaining option payments to obtain a 100% interest in the Rincon West and Pocitos projects during the year ended December 31, 2023.

Option Payments US\$	Shares issued valued at \$	Number of shares issued #	Year
150,000 (paid)	375,000	750,000	2021
650,000 (paid)	500,000	1,737,531	2022
500,000 (paid)	-	-	2023
2,900,000 (paid)	-	-	2024
4,200,000	875,000	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.

Argentina Lithium & Energy Corp.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

El Pidio GIII Option (continued)

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

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.

Option Payments	Shares to be issued	Number of shares	Year
US\$	valued at	to be issued	
	\$	#	
42,000 (paid)	77,280 (issued)	168,000 (issued)	2022
168,000 (paid)	126,000 (issued)	420,000 (issued)	2023
420,000 (paid)	210,000 (issued)	700,000 (issued)	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	Year
US\$	
50,000 (paid)	2022
100,000 (paid)	2023
550,000 (paid)	2024
700,000	

Argentina Lithium & Energy Corp.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Rincon West Project

Rinconcita II

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 has met its exploration commitment 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 which is currently in progress.

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 that comes into effect following the receipt of exploration permits. The vendor retains a 3% Net Smelter Royalty which can be repurchased for US\$1,500,000.

Option Payment US\$	Year
100,000 (paid)	2022
600,000 (paid)	2023
400,000 (paid)	2024
400,000	2025
1,500,000	

Don Fermin Option

On June 15, 2023 the Company entered into an option agreement to acquire 100% interest in concession located on the eastern flank of the Salar de Rincon, approximately 19 km east of the Rincon West property block. Terms of the option include cash payments totaling US\$2,750,000 over 18 months, including an initial 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\$4,000,000.

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

Argentina Lithium & Energy Corp.

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5. INVESTMENTS

During the year ended December 31, 2023, the Company invested 363,500,000 Argentine Pesos in a promissory note that could be redeemed for the equivalent number of Argentine Pesos at the official exchange rate to US\$1 million at maturity in March 2025. At December 31, 2023, the Company revalued the investment based on US\$1 million being equivalent to 809,920,392 Argentine Pesos at the official exchange rate. During the nine months ended September 30, 2024, the Company sold the promissory note at a discount and received 873,200,219 Argentine Pesos. The Company recorded a loss on the sale of \$104,443 because of the discount. No interest was earned on the promissory note.

6. 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 2024

There were no shares issued for private placement during the nine months ended September 30, 2024. See also Note 16.

Details of Issues of Common Shares in 2023

There were no shares issued for private placement during year ended December 31, 2023.

Details of other Common Share Issuances

During the nine months ended September 30, 2024, the Company issued 766,667 shares for mineral property option payments with a fair value of \$230,000 (September 30, 2023 – 503,334 shares for mineral property option payments with a fair value of \$151,000); and issued 2,250,000 shares from the exercise of 2,250,000 warrants for gross proceeds of \$337,500 (September 30, 2023 – 400,000 shares from the exercise of 400,000 warrants for gross proceeds of \$97,500).

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.

Argentina Lithium & Energy Corp.

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6. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the nine months ended September 30, 2024 is as follows:

Expiry date	Exercise Price	December 31, 2023	Granted	Expired	September 30, 2024	Options exercisable
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
		11,341,000	-	-	11,341,000	11,341,000
Weighted average exercise price (\$)		0.31	-	-	0.31	0.31
Weighted average contractual remaining life (years)		3.59	-	-	2.84	2.84

The continuity of share purchase options for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Expired	September 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	-	-	3.84	3.84

The weighted average fair value of share purchase options granted during the nine months ended September 30, 2024 is \$Nil (2023 - \$0.33).

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

	Nine months ended September 30,	
	2024	2023
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.

Argentina Lithium & Energy Corp.

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(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. CAPITAL AND RESERVES (continued)

Warrants

The continuity of warrants for the nine months ended September 30, 2024 is as follows:

Expiry date	Exercise Price	December 31, 2023	Exercised	Expired	September 30, 2024
April 14, 2024	\$0.15	4,250,000	(2,250,000)	(2,000,000)	-
November 10, 2024 ⁽¹⁾	\$0.70	6,288,047	-	-	6,288,047
November 21, 2024 ⁽¹⁾	\$0.40	35,856,988	-	-	35,856,988
November 29, 2024	\$0.70	5,098,767	-	-	5,098,767
December 10, 2024	\$0.70	2,437,635	-	-	2,437,635
August 11, 2027	\$0.38	6,396,300	-	(181,300)	6,215,000
August 25, 2027	\$0.38	10,415,000	-	-	10,415,000
		70,742,737	(2,250,000)	(2,181,300)	66,311,437
Weighted average exercise price (\$)		0.44	\$0.15	\$0.15	0.46

(1) Refer to Note 16 for further information.

6,215,000 warrants set to expire on August 11, 2024 and 10,415,000 warrants set to expire on August 25, 2024 were extended to August 11, 2027, and August 25, 2027 respectively during the nine months ended September 30, 2024. These warrants were originally issued on August 11, 2022 and August 25, 2022, and originally set to expire on August 11, 2024 and August 25, 2024 as part of the units issued under a private placement completed by the Company in August 2022. The exercise price of the warrants remains at \$0.38.

The continuity of warrants for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Exercised	September 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	-	(150,000)	36,279,988
		72,086,067	-	(400,000)	71,686,067
Weighted average exercise price (\$)		0.44	-	0.24	0.44

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7. STELLANTIS N.V. TRANSACTION

On September 26, 2023, the Company entered into a definitive agreement (the “Investment Agreement”) with Peugeot Citroen Argentina S.A., a subsidiary of Stellantis N.V. (“Stellantis”) for an investment in Argentina 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 Litio Y Energia S.A (“ALE”). On October 4, 2023, ALE received approximately 31.5 billion Argentina Pesos in Argentina that was equivalent to US\$90 million at the official exchange rate and recognised the investment as a non-controlling interest. 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. A provision for the Top-Up Right has not been recognised in the consolidated financial statements as a reliable estimate of the additional shares cannot be made as at September 30, 2024.

The Company has classified the options and warrants outstanding and not exercised as part of the Exchange Shares, which if exercised, allow Stellantis to obtain a relative 24.844% of the shares to maintain their exchange right to further consideration as a derivative liability. The derivative liability is based on the stock options and warrants outstanding as of the date of the agreement, and the Company determined a derivative liability of \$6,004,547 as of October 4, 2023, based on the estimated fair value of this right using a Black-Scholes valuation model. As at September 30, 2024, the Company revalued this right at an estimate fair value of \$590,371 (December 31, 2023 - \$4,364,167). For the nine months ended September 30, 2024, the Company recorded a \$3,624,306 fair value adjustment (nine months ended September 30, 2023 - \$Nil) and \$271,950 was reclassified to obligation to issue shares (nine months ended September 30, 2023 - \$Nil) in the consolidated statement of changes in equity for options and warrants exercised during the period to which Stellantis would be entitled to additional shares if the Exchange Right is exercised. The following are the inputs used to estimate the fair value of the top up rights pertaining to the stock options and warrants outstanding as at December 31, 2023 and September 30, 2024:

	As at	
	September 30, 2024	December 31, 2023
Risk-free interest rate	2.91%	3.84%
Expected security life in years	2.85	1.18
Expected share price volatility	85.02%	96.60%
Measurement date share price	\$0.145	\$0.34
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

Argentina Lithium & Energy Corp.

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7. STELLANTIS N.V. TRANSACTION (continued)

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.

The Company, ALE and Stellantis entered 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.

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7. STELLANTIS N.V. TRANSACTION (continued)

Contingent Share Premium

In the event that ALE meets all, and not less than all, of the three conditions stated for any of the scenarios described in the following table, Stellantis will pay additional consideration (the “Contingent Share Premium”) for which the Company qualifies listed in the second row of the table, with the payment to occur at the time of the Commercial Production (as described in the table) listed in the second row of the table. The Company will only be entitled to receive the Contingent Share Premium in respect of one, and not more than one, of the Scenarios described in the table. If conditions for multiple Scenarios are met by the Company, then the Company will be entitled only to receive the largest Contingent Share Premium for which it qualifies.

	Scenario 1:	Scenario 2:	Scenario 3:
Conditions:	<ol style="list-style-type: none"> 1. NPV > US\$ 700M 2. Capacity > 30k T/y 3. Commercial Production: 2028 or 2029 	<ol style="list-style-type: none"> 1. NPV > US\$ 850M 2. Capacity > 40k T/y 3. Commercial Production: 2028 or 2029 	<ol style="list-style-type: none"> 1. NPV > US\$ 1 Billion 2. Capacity > 45k T/y 3. Commercial Production: 2029 or 2030
Contingent Share Premium	<ul style="list-style-type: none"> • If the first two conditions in Scenario 1 have been satisfied and Commercial Production occurs by December 31, 2028, then the Contingent Premium is US\$ 5,000,000. • If the first two conditions in Scenario 1 have been satisfied and Commercial Production occurs after December 31, 2028 but before December 31, 2029, then the Contingent Premium is US\$ 2,500,000. 	<ul style="list-style-type: none"> • If the first two conditions in Scenario 2 have been satisfied and Commercial Production occurs by December 31, 2028, then the Contingent Premium is US\$ 10,000,000. • If the first two conditions in Scenario 2 have been satisfied and Commercial Production occurs after December 31, 2028 but before December 31, 2029, then the Contingent Premium is US\$ 5,000,000. 	<ul style="list-style-type: none"> • If the first two conditions in Scenario 3 have been satisfied and Commercial Production occurs by December 31, 2029, then the Contingent Premium is US\$ 15,000,000. • If the first two conditions in Scenario 3 have been satisfied and Commercial Production occurs after December 31, 2029 but before December 31, 2030, then the Contingent Premium is US\$ 10,000,000.

“Capacity” means the ultimate productive capacity of one or more Projects’ plant(s), measured in finished tonnes of marketable lithium carbonate or lithium hydroxide per year, as supported by NI 43-101-compliant pre-feasibility studies or feasibility studies in respect of such Project(s).

“Commercial Production” means the first date, after the date hereof, on which a new mining and mineral processing operation not in existence or operation as of the date hereof, has: (a) produced marketable lithium carbonate or lithium hydroxide continuously for a period of 30 calendar days; and (b) reached an average production level over such 30-calendar day period that is greater than or equal to 60% of the production capacity of such mining and mineral processing operation as set out in the applicable NI 43-101-compliant pre-feasibility study or feasibility study therefore.

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7. STELLANTIS N.V. TRANSACTION (continued)

“NPV” means the net present value supported by NI 43-101-compliant pre-feasibility studies or feasibility studies in respect of one or more Projects. All NPV amounts applicable in this Agreement shall be calculated using a 12% discount rate.

The Contingent Share Premium is a contingent asset, and it has not been recognized in the Company’s statement of financial position as its realization is not virtually certain.

ALE has therefore recorded a non-controlling interest that is considered material to our consolidated financial statements. The NCI in the net assets of consolidated subsidiaries is identified separately from Company’s equity. The NCI includes the amount of those interests at the date of the original transaction with Stellantis and the NCI’s share of changes in equity since the date of the transaction.

The following is the summarized fair value financial information for ALE before intra-group eliminations used to compute the fair value of the NCI.

	September 30, 2024	December 31, 2023
Summarized statement of financial position	\$	\$
Current assets	42,631,260	60,842,038
Current liabilities	(579,698)	(115,690)
Current net assets	42,051,562	60,726,348
Non-current assets	24,828,620	20,401,464
Non-current liabilities	(15,547,664)	(18,602,669)
Non-current net assets (liabilities)	9,280,956	1,798,795
Net assets	51,332,518	62,525,143
Accumulated non-controlling interest	10,215,172	12,442,504
Summarized statement of loss and comprehensive loss	September 30, 2024	December 31, 2023
Total loss and comprehensive loss for the period	(11,192,625)	(52,318,389)
Loss allocated to non-controlling interest for the period	(2,227,332)	(10,055,225)

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7. STELLANTIS N.V. TRANSACTION (continued)

As of October 4, 2023, the value of the NCI and the derivative liability were calculated as follows:

Cash	\$	123,676,653
Total consideration	\$	123,676,653
19.9% of ALE net assets:		19.90%
Cash and cash equivalents	\$	915,491
Prepays	\$	8,163
Exploration and evaluation assets	\$	9,256,734
Accounts payable	\$	(107,737)
Intercompany payables	\$	(20,695,392)
Total net assets allocated to NCI	\$	22,497,729
Derivative liability	\$	6,004,547
Excess recognized in equity (deficit)	\$	95,174,377

8. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the nine months ended September 30, 2024 and 2023 were based on the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Loss attributable to common shareholders (\$)	6,101,480	1,171,982	10,395,788	4,676,323
Weighted average number of common shares outstanding	134,175,316	130,062,938	133,371,727	130,043,404

Diluted loss per share did not include the effect of 11,341,000 (2023 – 11,341,000) share purchase options and 66,311,437 (2023 – 71,686,067) warrants as the effect would be anti-dilutive.

9. MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable securities to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss. The subsequent disposition of these marketable securities in exchange for Argentine pesos gave rise to a gain as the amount received in Argentine peso exceeds the amount of Argentine peso the Company would have received from a direct foreign currency exchange. Similarly, a loss is realized on exchange of securities from Argentine pesos to USD.

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9. MARKETABLE SECURITIES (continued)

As a result of having utilized this mechanism for intragroup funding for the nine months ended September 30, 2024, the Company realized a gain of \$431,386 (September 30, 2023 – \$2,334,012) from the favorable foreign currency impact. During the nine months ended September 30, 2024, the Company also realized a gain of \$135,593 as a result of an increase in value of its marketable securities investments.

10. 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 expires on December 31, 2024 and is automatically renewed for a period of two years pursuant to the terms of the Agreement.

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.

	Nine months ended September 30,	
	2024	2023
Transactions	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	279,000	89,400
Office & sundry	27,000	18,000
Total for services rendered	306,000	107,400

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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10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Transactions	Nine months ended September 30,	
	2024 \$	2023 \$
Share-based compensation	-	55,683
Consulting fees paid to key management and directors or their consulting corporations:		
Niko Cacos President/CEO	149,053	144,705
Darren Urquhart CFO	52,981	24,344
Martin Burian Director	12,000	12,000
Joseph Grosso Director	140,265	135,000
John Gammon Director	9,000	9,000
David Terry Director/Consultant	45,000	36,000
Miles Rideout VP Exploration	150,311	124,086
Total for services rendered	558,610	540,818

Balances	As at September 30,	
	2024 \$	2023 \$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp. ⁽¹⁾	-	21,525
Payable to Grosso Group Management Ltd. ⁽²⁾	21,400	47,486
Payable to Oxbow International Marketing Ltd. ⁽²⁾	1,402	1,197
Total for amounts payable to related parties	22,802	70,208

(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 of Argentina Lithium & Energy Corporation.

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

11. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in the Americas and Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the nine months ended September 30, 2024 and the year ended December 31, 2023.

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

	September 30, 2024	
	Argentina \$	Total \$
Exploration and evaluation assets	24,828,620	24,828,620
	24,828,620	24,828,620
	December 31, 2023	
	Argentina \$	Total \$
Exploration and evaluation assets	19,078,864	19,078,864
Investments	1,322,600	1,322,600
	20,401,464	20,401,464

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12. 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 4.

Non-Controlling interest

The Company has commitments in relation to the Exchange Agreement and Offtake Agreement with its non-controlling interest, see Note 7.

Management Services Agreement

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	93,000	372,000	-	-	-

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 \$31,000 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, 2024, the Company would have to pay \$467,550 to the Chairman in the event of termination without cause or certain conditions being met resulting from 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 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 CEO would receive an amount equal to 30 months' compensation. As of September 30, 2024, the Company would have to pay \$499,343 to the CEO in the event of termination without cause or certain conditions being met resulting from 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, 2024, the Company would have to pay \$141,284 to the CFO in the event of termination without cause or certain conditions being met resulting from 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, 2024, the Company would have to pay \$169,540 to the Corporate Secretary in the event of termination without cause or certain conditions being met resulting from a change of control.

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12. COMMITMENT (continued)

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, 2024, the Company would have to pay \$58,248 to the VP Exploration in the event of termination without cause or certain conditions being met resulting from 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, 2024, the Company would have to pay \$62,340 to the Controller in the event of termination without cause or certain conditions being met resulting from a change of control.

13. CONTINGENCY

A former employee and consultant to the Company is claiming to be owed severance in Argentina. The Company believes the amount of severance being claimed by the former employee and consultant is excessive and is disputing the amount. The actual amount of severance is still being negotiated and may be material to the Company.

14. SUPPLEMENTARY CASH FLOW INFORMATION

	Nine months ended September 30,	
	2024	2023
	\$	\$
Non-cash investing and financing activities:		
Shares issued for property option	230,000	138,500
Commitments for property options	-	25,208
Warrants exercised	81,803	8,824
Cash and cash equivalents:		
Cash	141,062	944,151
Cash equivalents	1,266,329	43,018

15. 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, restricted cash, investments, marketable securities, accounts payable and accrued liabilities, and derivative liabilities. The derivative liabilities is measured at fair value with reference to level 2 inputs within the fair value hierarchy.

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15. FINANCIAL RISK MANAGEMENT (continued)

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

At September 30, 2024, the Company's financial instruments measured at fair value are as follows:

	\$ Carrying amount September 30, 2024	Level 1 \$	Level 2 \$	Level 3 \$
		Fair value September 30, 2024		
Recurring measurements				
Financial Assets				
Cash and cash equivalents	1,407,391	1,407,391	-	-
Financial Liabilities				
Derivative liability	590,371	-	590,371 ⁽¹⁾	-

(1) The derivative liability is calculated using level 1 and level 2 inputs utilized in the Black-Scholes valuation model. A 5% change in the inputs would change the Company's net loss by approximately \$25,714.

At December 31, 2023, the Company's financial instruments measured at fair value are as follows:

	\$ Carrying amount December 31, 2023	Level 1 \$	Level 2 \$	Level 3 \$
		Fair value December 31, 2023		
Recurring measurements				
Financial Assets				
Cash and cash equivalents	6,132,851	6,132,851	-	-
Restricted cash	5,721,535	5,721,535	-	-
Investments	1,322,600	1,322,600	-	-
Financial Liabilities				
Derivative liability	4,364,167	-	4,364,167 ⁽¹⁾	-

(2) The derivative liability is calculated using level 1 and level 2 inputs utilized in the Black-Scholes valuation model. A 5% change in the inputs would change the Company's net loss by approximately \$82,000.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(b) Financial Instrument Risk Exposure

Credit risk

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

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15. 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, restricted cash, investments, 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 \$2,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$72,000.

(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. The Company is exposed to interest rate risk to the extent that the cash and cash equivalents, and investments, maintained at financial institutions is subject to a floating rate of interest. The fair value of cash and cash equivalents, and restricted cash approximates its carrying value due to the immediate or short-term maturity of these financial instruments.

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.

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15. FINANCIAL RISK MANAGEMENT (continued)

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. Cash and cash equivalents held in Argentina as at September 30, 2024 and 2023 were subject to local exchange control regulations providing restrictions on the amount of cash that can leave the country.

When the Company receives investments in Argentine Pesos, it will take steps to mitigate the foreign exchange losses that can occur in Argentina's hyperinflationary environment and currency exchange restrictions. These steps can include prepaying for planned exploration activities and property option payments that are due in future. See also Notes 3 and 4.

The Company is not subject to any external covenants. Other than the non-controlling interest transaction disclosed in Note 7, there were no changes in the Company's approach to capital management during the nine months ended September 30, 2024.

Additional information regarding capital management is disclosed in Note 1.

16. SUBSEQUENT EVENTS

Warrants

- 35,767,948 warrants set to expire on November 21, 2024 were extended to November 21, 2027. These warrants were originally issued on November 21, 2022 as part of the units issued under a private placement completed by the Company in November 2022. The exercise price of the warrants remains unchanged at \$0.40.
- 6,288,047 warrants at an exercise price of \$0.70 per unit expired unexercised on November 10, 2024.
- 89,040 warrants with an exercise price of \$0.70 per unit expired unexercised on November 21, 2024.

Private Placement

- On November 18, 2024, the Company cancelled the non-brokered private placement announced on October 29, 2024, and amended on November 8, 2024, for the sale of a minimum of 8,000,000 units of the Company at a price of \$0.15 per unit for aggregate gross proceeds of \$1,200,000, and a maximum of 23,333,334 units at the offering price for aggregate gross proceeds of \$3,500,000. Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of \$0.20 per warrant for a period of three years following the issue date.