Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

Argentina Lithium & Energy Corp.

(An Exploration Stage Company)

Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	June 30, 2026 $	December 31, 2025 $
ASSETS			
Current assets			
Cash and cash equivalents	15	745,952	141,890
Amounts receivable	11	204,348	160,035
Prepaid expenses	3	86,366	60,006
Total current assets		1,036,666	361,931
Non-current assets			
Exploration and evaluation assets	4	20,929,217	20,926,598
Equipment		53,665	53,665
Prepaid expenses	3	11,778,085	13,188,869
Total non-current assets		32,760,967	34,169,132
Total Assets		33,797,633	34,531,063
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	1,809,949	3,442,145
Derivative liability	8	776,196	1,060,280
Total liabilities		2,586,145	4,502,425
EQUITY			
Share capital	7	41,285,626	39,031,867
Reserves	7	16,412,950	14,800,474
Obligation to issue shares	8	271,950	271,950
Deficit		(29,832,478)	(27,539,420)
Total shareholders' equity		28,138,048	26,564,871
Non-controlling interest	8	3,073,440	3,463,767
Total equity		31,211,488	30,028,638
Total Equity and Liabilities		33,797,633	34,531,063

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Notes 4 and 13)

CONTINGENCY (Notes 14)

SUBSEQUENT EVENTS (Note 18)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 25, 2026. 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	Six months ended June 30, 2026 $	2025 $
Expenses			
Accounting and audit		75,788	26,063
Consulting fees	11	271,093	352,691
Corporate development and investor relations		363,737	138,073
Exploration	4, 11	550,339	2,014,968
Legal and professional fees		166,944	46,023
Management fees	11	18,000	42,000
Office and sundry	11	51,533	61,603
Rent, parking and storage		15,062	15,000
Transfer agent and regulatory fees		57,043	16,209
Travel		13,685	9,991
Loss before other (loss) income		(1,583,224)	(2,722,621)
Other (loss) income			
Fair value adjustment of derivative liability	8	284,084	658,814
Foreign exchange gain	17	3,859	157,404
Interest income		10,264	27,931
Interest expense	6	-	(46,430)
Loss to prepaid drilling on settlement of loan	3, 6	(1,398,368)	-
Option income	4	-	173,735
Total other (loss) income		(1,100,161)	971,454
Total loss and comprehensive loss		(2,683,385)	(1,751,167)
Loss attributable to:			
Shareholders of the Company		(2,293,058)	(1,416,812)
Non-controlling interest		(390,327)	(334,355)
Total loss and comprehensive loss		(2,683,385)	(1,751,167)
Basic and diluted loss per common share	9	(0.01)	(0.01)

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)

	Six months ended June 30,	
	2026 $	2025 $
Cash flows from operating activities		
Loss for the period	(2,683,385)	(1,751,167)
Adjustments for:		
Fair value adjustment of derivative liability	(284,084)	(658,814)
Foreign exchange gain	(3,859)	(157,404)
Interest expense	-	46,430
Loss to prepaid drilling on settlement of loan	1,398,368	-
Depreciation	-	4,662
Changes in non-cash working capital items:		
(Increase) decrease in amounts receivables	(44,313)	4,462
(Increase) decrease in prepaid expenses	(13,944)	704,760
Decrease in accounts payable and accrued liabilities	(1,632,196)	(204,841)
Net cash used in operating activities	(3,263,413)	(2,011,912)
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(2,619)	(37,947)
Net cash used in investing activities	(2,619)	(37,947)
Cash flows from financing activities		
Issuance of common shares and warrants	4,379,200	-
Share issue costs	(512,965)	-
Loan proceeds received	-	2,293,473
Net cash received from financing activities	3,866,235	2,293,473
Foreign exchange effect on cash and cash equivalents	3,859	157,404
Net increase in cash and cash equivalents during the period	604,062	401,018
Cash and cash equivalents at beginning of period	141,890	509,441
Cash and cash equivalents at end of period	745,952	910,459

SUPPLEMENTARY CASH FLOW INFORMATION (Note 15)

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

	Share capital		Reserves							
	Number of shares	Amount $	Contributed surplus $	Equity settled share-based payments $	Warrants $	Obligation to issue shares $	(Deficit) Retained earnings $	Total shareholders' equity $	Non-controlling interest $	Total equity $
Balance at December 31, 2024	134,175,316	38,828,350	8,729,946	2,288,754	3,781,774	271,950	(7,376,560)	46,524,214	8,060,961	54,585,175
Total comprehensive loss for the period	-	-	-	-	-	-	(1,416,812)	(1,416,812)	(334,355)	(1,751,167)
Balance at June 30, 2025	134,175,316	38,828,350	8,729,946	2,288,754	3,781,774	271,950	(8,793,372)	45,107,105	7,726,606	52,834,008
Shares issued for property option (Note 4(c))	3,391,954	203,517	-	-	-	-	-	203,517	-	203,517
Total comprehensive loss for the period	-	-	-	-	-	-	(18,746,048)	(18,746,048)	(4,262,839)	(23,008,887)
Balance at December 31, 2025	137,567,270	39,031,867	8,729,946	2,288,754	3,781,774	271,950	(27,539,420)	26,564,871	3,463,767	30,028,638
Private placements	36,493,334	2,897,386	-	-	1,481,814	-	-	4,379,200	-	4,379,200
Share issue costs	-	(512,965)	-	-	-	-	-	(512,965)	-	(512,965)
Agents' warrants granted	-	(130,662)	-	-	130,662	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	(2,293,058)	(2,293,058)	(390,327)	(2,683,385)
Balance at June 30, 2026	174,060,604	41,285,626	8,729,946	2,288,754	5,394,250	271,950	(29,832,478)	28,138,048	3,073,440	31,211,488

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 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 condensed consolidated interim financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $29,832,478, working capital deficiency of $1,549,479, and shareholders' equity of $28,138,048 at June 30, 2026. In addition, the Company has negative cash flow from operating activities of $3,263,413 for the six months ended June 30, 2026. 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, tariffs, and national and international circumstances. Recent geopolitical events, and potential global economic 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.

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, 2025, audited annual financial statements.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are expressed in Canadian dollars unless otherwise noted. Amounts in U.S. dollars are denoted as "US$" and amounts in Argentina Pesos are denoted as "ARS$".

Basis of consolidation

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

	Place of Incorporation	Principal Activity	Ownership Interest	
			2026	2025
Amera-Chile S.C.M.	Chile	Holding company	100%	100%
Argentina Litio Y Energia S.A.	Argentina	Exploration company	80.1%	80.1%

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

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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.

2. MATERIAL ACCOUNTING POLICIES (continued)

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. Subsequently NCI is adjusted for the proportionate share of net income (loss) and other comprehensive income (loss).

Significant Accounting Estimates and Judgments

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

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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

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 2023, 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.

2. MATERIAL ACCOUNTING POLICIES (continued)

iii. Accounting for the loss on prepaid drilling on settlement of the loans payable required significant judgment. The loss represented a significant penalty for non-payment of the loans at maturity. On December 24, 2025, the Company entered into a loan amendment with the drilling services contractor that provided for the potential reinstatement of the forfeited prepaid drilling services on payment of the overdue loan amounts within 180 days of the originally scheduled maturity date. Although management expects to continue in its efforts to repay the original amount owing under the loans payable and to recover the forfeited prepaid drilling services there is no assurance that such efforts will be completed according to the required timeframes or be successful. The Company applied significant judgment in determining that the level of assurance required to record a recovery of the forfeited prepaid drilling services was not met as of June 30, 2026 nor subsequently and accordingly a loss of $1,398,368 was recorded as a result of for non-exercise of option to repurchase the forfeited prepaid drilling meters.

Critical accounting estimates

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

   During the six months ended June 30, 2026, management has determined there were no impairment indicators present with respect to the Company's exploration and evaluation assets.

ii. The identification of components on the partial sale in 2023 of the Company's subsidiary, Argentina Litio 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 each reporting period. 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 8.

iii. The Company is from time to time involved in pending or threatened litigation relating to claims arising in the ordinary course of its business. The nature and progression of litigation can make it difficult to predict the impact a particular lawsuit or claim will have on the Company.

iv. During the year ended December 31, 2025, the Company agreed to repurchase a promissory note that had previously been sold to AGV Falcon Drilling SRL ("AGV") in conjunction with AGV permitting the draw-down of further amounts of loans payable to the Company. The Company applied judgment to recognize the repurchase of the promissory note at its fair value of nil. The fair value determination was based on the financial condition of the underlying investee, which was undergoing bankruptcy protection proceedings. The repurchased amount, being a non-cash item, was added to the Company's loans payable to AGV (see note 6). The promissory note issuer had financial difficulties and it was determined by year-end, as disclosed in note 5, that there was no recoverable amount from the investment. As a result, an impairment of $1,370,600 was recorded on the investment.

2. MATERIAL ACCOUNTING POLICIES (continued)

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

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments focus on areas such as the recognition and derecognition of financial assets and liabilities, the assessment of the "sole payments of principal and interest" criterion, and disclosures for instruments with contractual terms that can change cash flows, including those linked to ESG targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. This amendment did not 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 fiscal six months ended June 30, 2026 and accordingly, they have not been applied in preparing these consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

i. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

ii. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

iii. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027, the Company is evaluating the impact on the Company's consolidated financial statements.

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 equivalent to $51,791,411 for drilling services of up to 15,500 metres at its Antofalla and Rincon West properties, which is non-refundable and which has been accounted for as a non-monetary asset. As of June 30, 2026, the Company estimates that 3,601.4 metres of prepaid drilling services remained with a value of ARS$3,023,204,707 (December 31, 2025 – 4,019.9 metres of prepaid drilling services remained with a value of ARS$3,381,760,685) equivalent to $11,778,085 (December 31, 2025 – $13,188,869).

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

3. PREPAID EXPENSES (continued)

Balances	June 30, 2026 $	December 31, 2025 $
Current prepaid drilling services	-	-
Other current prepaid expenses	86,366	60,006
Total current expenses	86,366	60,006
Non-current prepaid drilling services	11,778,085	13,188,869
Total prepaid expenses	11,864,451	13,248,875

On December 23, 2024, the Company entered into a loan agreement with AGV Falcon Drilling SRL to receive funding secured against this prepaid drilling expense. During the year ended December 31, 2025, 5,175 metres of diamond drilling and 1,800 metres of rotary drilling with a value of $23,306,136 was deducted to settle the loan. During the six months ended June 30, 2026, 310.5 metres of diamond drilling and 108 metres of rotary drilling with a value of $1,398,368 was deducted for non-exercise of option to repurchase the deducted meters. On April 23, 2026, the Company entered into a new agreement with AGV Falcon Drilling SRL to extend the repurchase of the deducted prepaid drilling metres for another 180 days (see also Note 6).

	Six months ended June 30, 2026 $	**Year ended December 31, 2025 $**
Prepaid drilling balance, beginning of period	13,188,869	37,139,911
Other exploration expense	(12,416)	(644,906)
Prepaid deposit applied against loan payable	-	(4,536,672)
Prepaid deposit forfeited due to non-repayment of loan (penalty)	(1,398,368)	(18,769,464)
Prepaid drilling balance, end of period	11,778,085	13,188,869

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 June 30, 2026 and 2025.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition Costs

	Argentina				
	Incahuasi	**Antofalla**	**Rincon West**	**Pocitos**	**Total**
	$	**$**	**$**	**$**	**$**
Balance – December 31, 2024	110,116	7,487,649	8,085,173	4,356,207	20,039,145
Additions					
Option payments, staking costs, land payments and acquisition costs	-	7,754	9,652	20,541	37,947
Balance – June 30, 2025	110,116	7,495,403	8,094,825	4,376,748	20,077,092
Additions					
Option payments, staking costs, land payments and acquisition costs	46,412	143,760	659,334	-	849,506
Balance – December 31, 2025	156,528	7,639,163	8,754,159	4,376,748	20,926,598
Additions					
Option payments, staking costs, land payments and acquisition costs	-	-	2,619	-	2,619
Balance – June 30, 2026	156,528	7,639,163	8,756,778	4,376,748	20,929,217

Exploration Expenditures

	Argentina					
	Incahuasi	**Antofalla**	**Rincon West**	**Pocitos**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Cumulative exploration expenses December 31, 2025	3,438,480	957,147	31,821,349	574,223	104,814	36,896,013
Expenditures during the period:						
Geophysics	-	-	83,387	-	-	83,387
Office	2,009	1,005	29,126	1,339	-	33,479
Professional fees	8,035	1,739	68,986	2,319	-	81,079
Property maintenance payments	-	-	8,716	-	-	8,716
Salaries and contractors (Note 11)	6,310	3,155	246,472	4,207	-	260,144
Supplies and equipment	-	-	9,756	-	-	9,756
Transportation	-	-	21,203	-	-	21,203
Statutory taxes	996	359	29,778	479	-	31,612
Travel costs	-	-	20,963	-	-	20,963
	17,350	6,258	518,387	8,344	-	550,339
Cumulative exploration expenses June 30, 2026	3,455,830	963,405	32,339,736	582,567	104,814	37,446,352

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Argentina					
	Incahuasi $	**Antofalla $**	**Rincon West $**	**Pocitos $**	**Other $**	**Total $**
Cumulative exploration expenses December 31, 2024	3,369,867	927,770	29,258,439	533,860	102,729	34,192,665
Expenditures during the period:						
Assays	-	-	4,280	-	-	4,280
Drilling	-	-	532,983	-	-	532,983
Geophysics	-	-	155,080	-	-	155,080
Office	5,966	2,983	89,747	3,977	-	102,673
Professional fees	10,615	5,308	159,413	7,077	-	183,413
Property maintenance payments	-	-	15,334	-	2,029	17,363
Salaries and contractors (Note 11)	30,746	15,373	698,792	20,565	-	765,476
Social and community	-	-	71	-	-	71
Supplies and equipment	2,450	-	13,342	-	-	15,792
Transportation	-	-	40,808	136	-	40,944
Statutory taxes	1,485	706	163,852	949	61	167,053
Travel costs	-	-	30,793	47	-	30,840
	51,262	24,370	1,904,495	32,751	2,090	2,014,968
Cumulative exploration expenses June 30, 2025	3,421,129	952,140	31,162,934	566,611	104,819	36,207,633

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 Property

The Company owns a 100% interest in the three additional properties totaling 5,380 hectares situated adjacent to the Company's 9,080 hectares of 100% held claims on the Salar de Antofalla. On July 7, 2021, the Company entered into an option agreement with Trendix Mining ("Trendix") to earn a 100% interest. Terms included staged payments over four years totaling US$4,000,000, and total exploration expenditures of US$7,000,000. The Company paid the remaining option payments to obtain a 100% interest in the Optioned Properties during the year ended December 31, 2023. The vendors retain a 2% Net Smelter Royalty ("NSR") which Argentina Lithium has the ability to repurchase for US$5,000,000.

Amelia Option

On March 31, 2022, the Company entered into an option agreement to acquire a 100% interest in three granted mine concession properties totalling 5,411 hectares in the Salar de Antofalla in Catamarca Province, Argentina. Terms of the option include cash payments totalling US$2,800,000 over five years, including mandatory commitments totalling US$580,000. The option also includes mandatory annual exploration expenditure commitments of US$2,000,000 during the year ending December 31, 2026 and US$4,000,000 during the year ending December 31, 2027. The vendor retains a 2% NSR which can be repurchased for US$3,000,000.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

On March 10, 2025, the Company entered into an amending agreement, extending the due date of the cash payments of US$400,000 to December 31, 2025, US$500,000 to September 30, 2026, US$600,000 by December 31, 2026 and US$620,000 to June 30, 2027. In consideration for the initial extension, the Company incurred an extension fee of US$100,000, settled through the issuance of 2,396,000 common shares at a price of $0.06 per share.

Option Payments US$	Extension fee paid by the issuance of shares valued at $	Year
80,000 (paid)	-	2022
300,000 (paid)	-	2023
300,000 (paid)	-	2024
-	143,760	2025
200,000 (paid)	-	2026
200,000 (mandatory)	-	2026
1,100,000	-	2026
620,000	-	2027
2,800,000	143,760	

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 four years, including the obligatory payment of US$40,000 at the time of signing. The vendor retains a 1% NSR 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	2026
590,000	

Lexi Property

The Company owns a 100% interest in a single mining concession on the Antofalla Salar, wholly within the Catamarca mining registry. The Company entered into an option agreement to acquire 100% interest. Terms of the Lexi-30 option specified 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 Company paid the remaining option payments to obtain a 100% interest in the Lexi project during the year ended December 31, 2024. 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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

c) Pocitos Project

Rincon-Pocitos Property

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

Ramos Property

The Company owns a 100% interest in five additional properties totaling 1,762 hectares at the Pocitos Salar (the "Ramos Properties"). On January 6, 2022, the Company entered into an option agreement to acquire 100% interest. 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. The Company paid the remaining option payments to obtain a 100% interest in the Ramos project during the year ended December 31, 2024.

d) Rincon West Project

Rinconcita II Property

The Company owns a 100% interest in 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. 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. 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.

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. The option 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 which was approved on October 25, 2024. The vendor retains a 3% Net Smelter Royalty which can be repurchased for US$1,500,000.

On March 25, 2025, the Company entered into an amending agreement, extending the due date of the final cash payment of US$418,000 from March 31, 2025 to September 30, 2025, which was subsequently extended to September 30, 2026. In consideration for the initial extension, the Company incurred an extension fee of US$41,800, settled through the issuance of 995,954 common shares at a price of $0.06 per share.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Option Payments US$	Extension fee paid by the issuance of shares valued at $	Year
100,000 (paid)	-	2022
600,000 (paid)	-	2023
400,000 (paid)	-	2024
-	59,757	2025
418,000	-	2026
1,518,000	59,757	

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 (not paid)	2025
2,750,000	

On April 7, 2025, a mining court in Argentina issued a ruling to terminate the mining license for the Don Fermin properties on the grounds that the previous owners, who sold the rights to the Company, had not demonstrated that they carried out adequate exploration work as required by the permit. The Company disputes the arguments contained in the ruling and will appeal the decision. The Company impaired $3,402,350 in acquisition costs for Don Fermin as of December 31, 2024. The Company continues to wait for the conclusion to the appeal process as at June 30, 2026.

e) Fierro Property, Rio Negro Province, Argentina

The Company owns a 100% interest in the Fierro property in the Province of Rio Negro, Argentina.

On August 7, 2024, the Company entered into an option agreement with Aridos Lomada Grande S.A. (“Aridos”) to sell its 100% interest in the Fierro property. Aridos can purchase the Fierro property for US$210,000, including a mandatory signing payment of $27,254 (US$20,000) that was received during the year ended December 31, 2024. The Company retains a NSR with a maximum total royalty of US$450,000 receivable in annual instalments of $50,000. Option income was $262,113 for the year ended December 31, 2025 (December 31, 2024 – $27,254).

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

5. INVESTMENTS

During the year ended December 31, 2025, the Company entered into a further agreement with AGV pursuant to which the Company agreed to take back a promissory note that had been sold to AGV in the prior year. It was determined that the promissory note was associated with an investment that was experiencing financial difficulties and that recovery through repayment was no longer expected as initially contemplated when sold to AGV in the prior year. As a result, the Company and AGV agreed that the Company would take back the promissory note and add its original carrying value of US$1,000,000 ($1,370,600) to form part of the outstanding loan balance payable to AGV (Note 6). Accordingly, a portion of the increase in the loan payable to AGV did not arise from the receipt of additional cash, but rather from the consideration attributed to the repurchase amount of the promissory note following its reassignment to the Company, which was agreed upon in conjunction with the Company further drawing upon its loans payable from AGV.

During the year ended December 31, 2023, the Company invested ARS$363,500,000 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$1,000,000 being equivalent to ARS$809,920,392 at the official exchange rate. During the year ended December 31, 2024, the Company sold the promissory note to AGV at a discount and received ARS$873,200,219. The Company recorded a loss on the sale of $104,443 because of the discount. No interest was earned on the promissory note.

6. LOANS PAYABLE

On December 23, 2024, the Company entered into a loan agreement with AGV Falcon Drilling SRL, an arm's length lender that also provided prepaid drilling services to the Company. Terms of the agreement include six cash instalments of principal amount totalling US$3,000,000 over six months and is to be used for working capital purposes and bears interest of US$235,000.

During the year ended December 31, 2025, the Company borrowed $3,812,510 (2024 - $435,127), which accrued interest of $287,507 (2024 - $40,976), and had a foreign exchange gain of $39,448 (2024 - $Nil). The Company did not repay the loan in cash and instead settled the loan by using the prepaid drilling meters during the year ended December 31, 2025. For every US$100,000 of the principal balance, 172.5 meters of diamond drilling and 60 meters of rotary drilling were discounted from prepaid expenses, resulting in the recognition of a loss of $18,769,464 (see also Note 3).

The schedule below summarizes the principal balance of the loan and the repayment amount including interest.

Loan date	Loan Amount US$	Repayment date	Repayment amount US$
December 28, 2024	300,000 (received)	October 10, 2025	330,000
January 25, 2025	400,000 (received)	October 20, 2025	436,000
February 25, 2025	400,000 (received)(1)	October 30, 2025	432,000
March 25, 2025	900,000 (received)(1)	November 20, 2025	972,000
April 25, 2025	500,000 (received)	October 11, 2025	535,000
May 25, 2025	500,000 (received)	November 30, 2025	530,000
	3,000,000		3,235,000

(1) The Company received a US$1,000,000 promissory note and US$300,000 in cash in exchange for an aggregate of US$1,300,000, which represents the third and fourth loan instalments.

6. LOANS PAYABLE (continued)

On December 24, 2025, the Company entered into an amending agreement with AGV. Revised terms of the agreement granted the Company a right to an exclusive, irrevocable option to repurchase the deducted meters within 180 calendar days of each funded maturity through repayment of the amount previously owed, at a rate of 6% compounded semi-annually in US dollars. In the event of non-exercise a further pro-rata reduction of 310.5 meters of diamond drilling and 108 meters of rotary drilling will be discounted from the Company's prepaid drilling meters. During the six months ended June 30, 2026, 310.5 metres of diamond drilling and 108 metres of rotary drilling with a value of $1,398,368 was deducted for non-exercise of option to repurchase the deducted meters (see also Note 3).

On April 23, 2026, the Company entered into a second amending agreement with AGV. Revised terms of the agreement grant the Company a right to an exclusive, irrevocable option to repurchase the deducted meters within 180 calendar days of each funded maturity through repayment of the amount previously owed, at a rate of 6% compounded semi-annually in US dollars. It is at the Company’s option whether it pays the amount to exercise the option and repurchase the previously deducted meters. It is uncertain whether the Company will be able to repurchase the meters. In the event of non-exercise a pro-rata reduction of 329.10 meters of diamond drilling and 114.50 meters of rotary drilling will be discounted from the Company's prepaid drilling meters.

The schedule below summarizes the principal balance of the loan and the amended repayment amounts including interest.

Loan Amount US$	Repayment date	Repayment amount US$
300,000	October 10, 2026	370,788
400,000	October 20, 2026	489,890
1,000,000	November 12, 2026	1,213,488
300,000	November 20, 2026	364,046
500,000	November 10, 2026	601,126
500,000	November 30, 2026	595,508
3,000,000		3,634,846

As at June 30, 2026 and December 31, 2025, the Company did not have any loans payable. The continuity of loans payable for the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025 $
Loans and interest payable, beginning of year	476,103
Loan proceeds received in cash	2,441,910
Loan proceeds received in promissory note	1,370,600
Interest accrued	287,507
Effect of foreign exchange	(39,448)
Prepaid deposit applied against loans payable	(4,536,672)
Loans and interest payable, end of year	-

7. 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 2026

On March 10, 2026, the Company completed the brokered LIFE private placement announced on January 26, 2026, consisting of 36,493,334 units at a price of $0.12 per unit for gross proceeds of $4,379,200. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.16 per share for three years from the date of issue. Finders' fees paid were $289,044 cash and 2,408,700 non-transferable warrants exercisable into common shares at $0.12 for three years from the date of issue with a fair value of $130,662. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following weighted average variables: risk-free interest rate – 2.92%; expected stock price volatility – 97.26%; dividend yield – 0%; and expected warrant life – 3 years. The Company incurred $223,921 in other share issue costs related to the private placement.

Details of Issues of Common Shares in 2025

There were no shares issued for private placement during the year ended December 31, 2025.

Details of other Common Share Issuances

There were no shares issued for mineral property option payments during the six months ended June 30, 2026.

During the year ended December 31, 2025, the Company issued 3,391,954 shares with a fair value of $203,517 for mineral property option payments; and there were no warrant exercises during the year ended December 31, 2025.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately and are subject to a four-month hold period and are generally exercisable for a period of up to five years.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended June 30, 2026 is as follows:

Expiry date	Exercise Price	December 31, 2025	Granted	Expired	June 30, 2026	Options exercisable
July 9, 2026[(1)]	$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)		1.59	-	-	1.09	1.09

(1) See Note 18.

The continuity of share purchase options for the six months ended June 30, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Granted	Expired	June 30, 2025	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)		2.59	-	-	2.09	2.09

Warrants

The continuity of warrants for the six months ended June 30, 2026 is as follows:

Expiry date	Exercise Price	December 31, 2025	Issued	Expired	June 30, 2026
August 11, 2027	$0.38	6,215,000	-	-	6,215,000
August 25, 2027	$0.38	10,415,000	-	-	10,415,000
November 21, 2027	$0.40	35,767,948	-	-	35,767,948
March 10, 2029	$0.16	-	36,493,334	-	36,493,334
March 10, 2029	$0.12	-	2,408,700	-	2,408,700
		52,397,948	38,902,034	-	91,299,982
Weighted average exercise price ($)		0.39	0.16	-	0.29
Weighted average contractual remaining life (years)		1.82	2.70	-	1.91

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

7. CAPITAL AND RESERVES (continued)

The continuity of warrants for the six months ended June 30, 2025 is as follows:

Expiry date	Exercise Price	December 31, 2024	Issued	Expired	June 30, 2025
August 11, 2027	$0.38	6,215,000	-	-	6,215,000
August 25, 2027	$0.38	10,415,000	-	-	10,415,000
November 21, 2027	$0.40	35,767,948	-	-	35,767,948
		52,397,948	-	-	52,397,948
Weighted average exercise price ($)		0.39	-	-	0.39
Weighted average contractual remaining life (years)		2.82	-	-	2.22

8. 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 ARS$31.5 billion 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 were 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 condensed consolidated interim financial statements as a reliable estimate of the additional shares cannot be made as at June 30, 2026 and 2025.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

8. STELLANTIS N.V. TRANSACTION (continued)

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, based on the estimated fair value of this right using a Black-Scholes valuation model. As at June 30, 2026, the Company revalued this right at an estimated fair value of $776,196 (December 31, 2025 - $1,060,280). For the six months ended June 30, 2026, the Company recorded a $284,084 fair value adjustment (June 30, 2025 - $658,814) in the consolidated statement of loss and comprehensive loss for options and warrants exercised during the period to which Stellantis would be entitled to additional shares if the Exchange Right is exercised. The gain on fair value adjustment of the derivative liability was primarily as a result of the decrease in the expected security life in years as at the valuation date offset by an increase in share price. 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 June 30, 2026 and December 31, 2025:

	As at	
	June 30, 2026	December 31, 2025
Risk-free interest rate	2.72%	2.55%
Expected security life in years	0.85	1.77
Expected share price volatility(1)	90.94%	89.57%
Measurement date share price	$0.085	$0.15
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

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

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.

During the year ended December 31, 2023, 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;

8. STELLANTIS N.V. TRANSACTION (continued)

- 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.

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 the receive the largest Contingent Share Premium for which it qualifies.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

8. STELLANTIS N.V. TRANSACTION (continued)

	Scenario 1:	**Scenario 2:**	**Scenario 3:**
Conditions:	1. NPV > US$ 700M 2. Capacity > 30k T/y 3. Commercial Production: 2028 or 2029	1. NPV > US$ 850M 2. Capacity > 40k T/y 3. Commercial Production: 2028 or 2029	1. NPV > US$ 1 Billion 2. Capacity > 45k T/y 3. Commercial Production: 2029 or 2030
Contingent Share Premium	• 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.	• 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.	• 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.

"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 consolidated statement of financial position as its realization is not virtually certain.

The Company has therefore recorded a non-controlling interest in the consolidated financial statements. The NCI in the net assets of ALE 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.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

8. STELLANTIS N.V. TRANSACTION (continued)

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

Summarized statement of financial position	June 30, 2026 $	December 31, 2025 $
Current assets	152,672	117,611
Current liabilities	(846,073)	(1,190,194)
Current net assets	(693,401)	(1,072,583)
Non-current assets	32,760,968	34,169,130
Non-current liabilities	(16,623,145)	(15,690,685)
Non-current net assets	16,137,823	18,478,445
Net assets	15,444,422	17,405,862
Accumulated non-controlling interest	3,073,439	3,463,767
Summarized statement of loss and comprehensive loss	**June 30, 2026**	**December 31, 2025**
Total loss and comprehensive loss for the period	(1,961,441)	(23,101,478)
Loss allocated to non-controlling interest for the period	(390,327)	(4,597,194)

9. BASIC AND DILUTED LOSS PER SHARE

The calculations of basic and diluted loss per share for the six months ended June 30, 2026 and 2025 were based on the following:

	Six months ended June 30, 2026	2025
Loss attributable to common shareholders ($)	2,293,058	1,416,812
Weighted average number of common shares outstanding	160,349,401	134,175,316

Diluted loss per share did not include the effect of 11,341,000 (2025 – 11,341,000) share purchase options and 91,299,982 (2025 – 52,397,948) warrants as the effect would be anti-dilutive.

11. 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. Grosso Group is equally owned by Argentina Lithium & Energy Corp., Golden Arrow Resources Corp., and Blue Sky Uranium Corp. 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, 2026 and will be automatically renewed for a period of two years pursuant to the terms of the Agreement.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

11. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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.

	Six months ended June 30,	
	2026	2025
Transactions	$	$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	18,000	42,000
Office & sundry	3,000	6,000
Total for services rendered	21,000	48,000

Key management personnel compensation

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

		Six months ended June 30,	
		2026	2025
Transactions		$	$
Consulting fees paid to key management and directors or their consulting corporations:			
Niko Cacos	President/CEO and Director	104,413	102,266
Darren Urquhart	CFO	17,402	36,169
Martin Burian	Director	8,000	8,000
Joseph Grosso	Director	62,877	95,754
John Gammon	Director	-	6,000
David Terry	Director/Consultant	30,000	30,000
Miles Rideout(1)	VP Exploration	51,200	97,675
Pompeyo Gallardo	VP Corporate Development	42,000	42,000
Total for services rendered		315,892	417,864

(1) Fees are included in exploration expenditures as part of salaries and contractors. See also Note 4.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

11. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Balances	June 30, 2026 $	December 31, 2025 $
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp.(1)	113,961	117,545
Payable to Grosso Group Management Ltd.(2)	232,324	220,193
Payable to Oxbow International Marketing Ltd.(2)	1,423	218,872
Payable to Miles Rideout	-	159,606
Payable to Martin Burian	-	16,000
Payable to Nikolaos Cacos	-	170,443
Payable to Darren Urquhart	-	50,719
Payable to David Terry	-	50,110
Payable to Pompeyo Gallardo	-	71,190
Total for amounts payable to related parties	347,708	1,074,678

(1) A company related through common directors that receives reimbursement for shared office costs, management fees and overhead.
(2) A company equally owned by Argentina Lithium & Energy Corp., Golden Arrow Resources Corp., and Blue Sky Uranium Corp.

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

As at June 30, 2026, there was $157,329 (December 31, 2025 - $152,799) in amounts receivable for costs owed from related corporations Golden Arrow Resources Corp., and Blue Sky Uranium Corp., for shared services paid by the Company. These entities have common directors, namely Nikolaos Cacos, David Terry, and Martin Burian.

During the six months ended June 30, 2026, the Company recovered $141,921 (June 30, 2025 - $Nil) in shared service fees received from Golden Arrow Resources Corp., and $175,308 (June 30, 2025 - $Nil) in shared services fees received from Blue Sky Uranium Corp., which has been recorded in exploration, see also Note 4.

12. SEGMENTED INFORMATION

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2026 and the year ended December 31, 2025.

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

	June 30, 2026	
	Argentina $	Total $
Exploration and evaluation assets	20,929,217	20,929,217
Equipment	53,665	53,665
Prepaid expenses	11,778,085	11,778,085
	32,760,967	32,760,967

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

12. SEGMENTED INFORMATION (continued)

	December 31, 2025	
	Argentina $	Total $
Exploration and evaluation assets	20,926,598	20,926,598
Equipment	53,665	53,665
Prepaid expenses	13,188,869	13,188,869
	34,169,132	34,169,132

13. COMMITMENTS

Exploration and Evaluation Assets

The Company has firm commitments and net smelter royalty requirements 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 8.

Management Services Agreement

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	18,000	-	-	-	-

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 $3,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The Company has a consulting agreement with its 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 June 30, 2026, the Company would have to pay $522,066 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 June 30, 2026, the Company would have to pay $69,609 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 former Executive Chairman, under which the Company agreed to pay $5,000 per month for advisory services for a period of three years effective from April 2026.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

13. COMMITMENTS (continued)

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 June 30, 2026, the Company would have to pay $83,530 to the Corporate Secretary 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 June 30, 2026, the Company would have to pay $13,035 to the Controller in the event of termination without cause or certain conditions being met resulting from a change of control.

14. CONTINGENCIES

A former employee and consultant to the Company is claiming to be owed severance in Argentina. The former employee commenced legal action that has progressed from prejudicial to judicial status. 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.

In February 2026, the Company became aware of a complaint filed in federal court in Texas, USA regarding investment solicitation and corporate administration (the "Complaint") that names as defendants the Company's CEO and former Chairman (retired), and Grosso Group (the "Defendants"). The Company is not named as a defendant and is not a party to the Complaint. The Complaint was filed by two shareholders of the Company. The Defendants have advised the Company that they consider the Complaint to be entirely without merit. Legal counsel for the Defendants has filed motions to dismiss the Complaint. Although the Company is not a party to proceedings, it is monitoring the matter and is taking appropriate steps to safeguard its interests as necessary, including indemnifying the Defendants.

15. SUPPLEMENTARY CASH FLOW INFORMATION

	Six months ended June 30,	
	2026 $	2025 $
Non-cash investing and financing activities:		
Prepaid deposit applied and forfeited against loan payable	1,398,368	-
Cash and cash equivalents:		
Cash	600,420	478,476
Cash equivalents	145,532	431,983

16. 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.

(Unaudited – Expressed in Canadian Dollars Unless Otherwise Noted)

16. FINANCIAL RISK MANAGEMENT (continued)

(a) Fair Values

The Company's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, investments, marketable securities, accounts payable and accrued liabilities, loans payable, interest payable, and derivative liability. The derivative liability is measured at fair value with reference to level 2 inputs within the fair value hierarchy.

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

At June 30, 2026, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount June 30, 2026	Level 1 $	Level 2 $ Fair value June 30, 2026	Level 3 $
Recurring measurements				
Financial Assets				
Cash and cash equivalents	745,952	745,952	-	-
Financial Liabilities				
Derivative liability	776,196	-	776,196(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 $29,957.

At December 31, 2025, the Company's financial instruments measured at fair value are as follows:

	$ Carrying amount December 31, 2025	Level 1 $	Level 2 $ Fair value December 31, 2025	Level 3 $
Recurring measurements				
Financial Assets				
Cash and cash equivalents	141,890	141,890	-	-
Financial Liabilities				
Derivative liability	1,060,280	-	1,060,280(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 $53,014.

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).

16. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and amounts receivable. 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. See Note 1 for further information.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings due to currency fluctuations in cash and cash equivalents and accounts payable usually denominated in US dollars and Argentina 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 $84,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $69,500.

(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.

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 its exploration and evaluation 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.

16. FINANCIAL RISK MANAGEMENT (continued)

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

The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. Cash and cash equivalents held in Argentina as at June 30, 2026 and 2025 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, there were no changes in the Company's approach to capital management during the six months ended June 30, 2026.

Additional information regarding capital management is disclosed in Note 1.

17. FOREIGN EXCHANGE

For the six months ended June 30, 2026, the Company recorded a foreign exchange gain of $3,859 (June 30, 2025 – $157,404 from the appreciation of the United States dollar) in cash, cash equivalents and investments.

18. SUBSEQUENT EVENTS

Stock options

2,650,000 stock options at an exercise price of $0.20 per share expired unexercised on July 9, 2026.