RNS Number : 6308L
CleanTech Lithium PLC
07 September 2023

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CleanTech Lithium PLC ("CleanTech Lithium" or "CTL" or the "Company")

applies for Special Lithium Operating Contracts ("CEOLs") to advance lithium production in Chile.

CleanTech Lithium PLC, (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF), a leading sustainable lithium explorer and developer in Chile for the clean energy transition, is pleased to announce that the Company's subsidiaries in Chile, Atacama Salt Lakes SpA and Laguna Negro Francisco SpA, have submitted applications for the Special Lithium Operation Contracts ("CEOLs") for the Company's two advanced projects; Laguna Verde and Francisco Basin (the "Projects").

Highlights:

- Following discussions with Government representatives and other stakeholders in Chile, CleanTech Lithium ´s wholly-owned subsidiaries, Atacama Salt Lakes SpA and Laguna Negro Francisco SpA, have submitted applications for operating contracts ("CEOLs") for the Company's two advanced projects Laguna Verde and Francisco Basin - These are the first CEOL applications to have been made in Chile since the announcement of the National Lithium Strategy in April 2023.
- In the applications, CTL stated that it is open to inviting the state national mining company, ENAMI, to partner with the Company as a minority stake partner in both the Laguna Verde and Francisco Basin projects through standard joint venture ("JV") arrangements consistent with other such JV arrangements ENAMI has in place in the mining sector in Chile.
- Securing the operating contracts will:
    - be an important milestone towards commercial production of lithium from the Projects.
    - help CTL secure investment for construction of the Projects thus contributing to the future supply of sustainable lithium from Chile to the global battery market for the clean energy transition.
    - open the door for more substantive discussions with potential strategic and offtake partners for the Company's planned lithium production.
- The Company will work with the authorities in Chile over the coming months to seek approval of these applications which are submitted under the terms of the National Lithium Strategy and in compliance with current Chilean law.

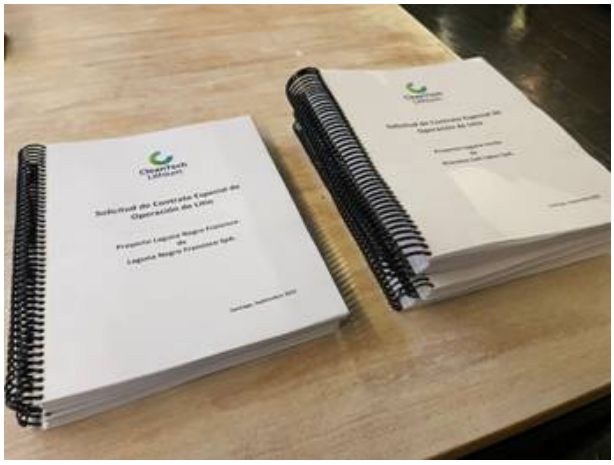


Fig 1. Submission documents for Laguna Verde and Francisco Basin operating contracts

The Company's JORC resources across the two projects total >2.7 million tonnes of lithium carbonate equivalent ("LCE") following multiple drilling campaigns and extensive resource evaluation over the past two years. Securing operating contracts from the State will enable the Company to move towards commercial and sustainable lithium production using Direct Lithium Extraction ("DLE"). By inviting the State, through one of its State entities ENAMI, to become a minority partner in both projects, CleanTech Lithium signals its support of the Government of Chile's strategy of promoting public-private partnerships and its ambition to become the leading producer of lithium to the global battery manufacturing market.

Chile holds the largest reserves of lithium in the world but currently only two companies operate commercial lithium production in-country. The operating contract applications were submitted to the Ministry of Mining, outlining the Company´s plan to utilise DLE for the sustainable extraction of lithium from sub-surface aquifers, consistent with the National Lithium Strategy announced in late April 2023. DLE offers a solution to minimising aquifer depletion while featuring a shorter time to production and much higher recoveries of lithium when compared to traditional extraction methods using evaporation ponds.

CTL's Board has followed legal advice and, after undertaking regular dialogue with relevant Government officials, local communities and other stakeholders over recent months, officially submitted the detailed (500+ page) CEOL applications on 6 September 2023. These applications have been formally presented to the relevant Chilean authorities and the Company now expects both applications to go through a formal review process over the next 3-6 months.

Aldo Boitano, Chief Executive Officer, CleanTech Lithium said: *"We are the first company in Chile to apply for the operating contracts since the National Lithium Strategy was announced in April 2023. We believe this marks a major step towards advancing lithium supply from Chile to the global battery manufacturing and EV market.*

"Following presentations on the National Lithium Strategy by Ministers, the Government has been clear on the need for establishing public-private partnerships to grow the lithium industry. Due to our progress to date, we believe it is the right time for CleanTech Lithium to apply for the operating contracts for Laguna Verde and Francisco Basin. Securing the operating contracts will demonstrate further confidence in our Projects, and, ultimately, enable us to secure the required investment to scale towards production."

"We are open to discussion with the Government and relevant stakeholders about how we can achieve our shared ambition in supporting Chile's vision to be the world's leader in lithium production, a statement made recently by President Boric. We are open to inviting ENAMI to join CTL as a minority partner as part of the new public-private partnership strategy and believe this would be beneficial for all parties. Such partnership would complement and enhance our ongoing engagement and activities with local communities, which is integral to creating a lasting positive impact."

Further Details:

Company Activity to date

The Company has carried out multiple drilling campaigns, resource evaluation work and project development at its two advanced projects; Laguna Verde and Francisco Basin, over the past two years. Investing upwards of US$16 million since January 2022 in Chile, the Company has produced JORC compliant resource estimates of >2.7 million tonnes of LCE. With both projects based in the Atacama region, the Company is now looking to move from exploration to development and then production and an integral part of this is securing the commercial operating contracts. The Company aims to develop these Projects and play a role in ensuring the long-term environmental and social sustainability of the lithium industry in the country.

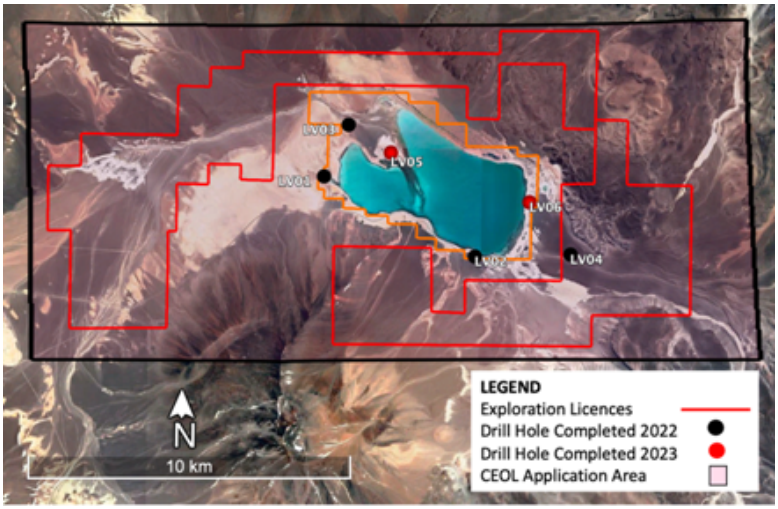


Fig 2. Map of CEOL area and drilling programme at Laguna Verde

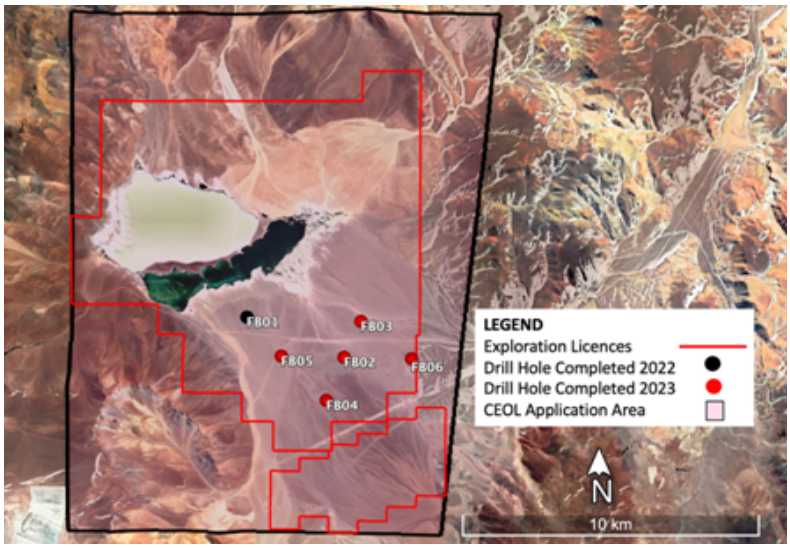


Fig 3. Map of CEOL area and drilling programme at Francisco Basin

A sustainable approach

Direct Lithium Extraction (DLE) is based on using an adsorbent to selectively extract lithium from brine whilst spent brine is re-injected into the sub-surface aquifers. This minimises the environmental impact of lithium extraction and avoids the aquifer depletion associated with the use of evaporation ponds. Both projects will also utilise renewable energy supplied through the existing national energy grid in Chile.

The Company recently announced that assembly of a US$2 million DLE pilot plant has now commenced at the Company's Copiapó facility where it will be commissioned and is expected to be operational in Q4 2023. The Pilot Plant has been designed to produce concentrated lithium eluate which will be further processed to deliver up to 1 tonne per month of battery grade lithium carbonate for product testing by potential customers, such as battery manufacturers and automakers.

The Company has an active work programme over the coming year with further resource drilling campaigns and testing of spent brine reinjection on both Projects, together with hydrogeological and metallurgical studies as well as feasibility studies and various other activities designed to maintain momentum towards achieving production.

CEOL Application Process

Lithium, uranium, and thorium are technically reserved to the state of Chile for the Chilean National Nuclear Commission. In accordance with Chilean law, lithium shall be exploited only under the following circumstances: (i) by the State or its companies; (ii) under an administrative concession granted by the Chilean State; or (iii) by virtue of a CEOL executed between the Company and the Chilean State, as owner of the mineral. The provision of the CEOL shall regulate the terms and conditions for the exploitation and benefit of the lithium reserves (e.g., royalty, volume, term, operation, guarantees, termination, assignment, among others).

The Ministry of Mining's Exempt Resolution number 786 sets the rules for admission and process of any request of a CEOL for lithium and other minerals ("Res 786"). On 13 October 2021, the Ministry published the royalty rate required for a CEOL application. The rate is based on a percentage of operating profit, starting at 7 per cent. for an operating margin up to 35 per cent., which then scales up with increasing operating margin to an effective maximum royalty rate of 16 per cent, as shown in the table below.

This table has been proposed by CTL in the new CEOL applications and is consistent with Table 4 included in the Company's AIM Admission Document dated 11 March 2022. The table was also used by Ad Infinitum in the commercial analysis of the Laguna Verde Scoping Study, announced on 5 January 2023.

The CEOL also provides for additional royalty payments of 3% of revenue to the State and 1.5 % of revenue to R&D. The Company is additionally proposing a royalty payment of 1.5% of revenue to a community development fund. All royalty payments are considered as operating costs.

Table: CEOL Royalty Rate Indexed to Operating Profit Margin

Annual Operating Margin	Progressive and Marginal Rate	Effective Rate	Annual Operating Margin	Progressive and Marginal Rate	Effective Rate
up to 35,00%	7.00%	7.00%	68.00%	25.50%	11.96%
36.00%	10.50%	7.08%	69.00%	25.50%	12.16%
37.00%	10.50%	7.16%	70.00%	25.50%	12.36%
38.00%	10.50%	7.24%	71.00%	30.00%	12.60%
39.00%	10.50%	7.31%	72.00%	30.00%	12.83%
40.00%	10.50%	7.38%	73.00%	30.00%	13.06%
41.00%	13.00%	7.50%	74.00%	30.00%	13.28%
42.00%	13.00%	7.62%	75.00%	30.00%	13.50%
43.00%	13.00%	7.73%	76.00%	33.50%	13.76%
44.00%	13.00%	7.84%	77.00%	33.50%	14.01%
45.00%	13.00%	7.94%	78.00%	33.50%	14.25%
46.00%	15.50%	8.10%	79.00%	33.50%	14.49%
47.00%	15.50%	8.24%	80.00%	33.50%	14.72%
48.00%	15.50%	8.39%	81.00%	36.50%	14.99%
49.00%	15.50%	8.52%	82.00%	36.50%	15.25%
50.00%	15.50%	8.65%	83.00%	36.50%	15.51%
51.00%	18.00%	8.72%	84.00%	36.50%	15.76%
52.00%	18.00%	8.99%	85.00%	36.50%	16.00%
53.00%	18.00%	9.15%	86.00%	36.50%	16.00%
54.00%	18.00%	9.31%	87.00%	36.50%	16.00%
55.00%	18.00%	9.45%	88.00%	36.50%	16.00%
56.00%	20.50%	9.64%	89.00%	36.50%	16.00%
57.00%	20.50%	9.82%	90.00%	36.50%	16.00%
58.00%	20.50%	10.00%	91.00%	36.50%	16.00%
59.00%	20.50%	10.17%	92.00%	36.50%	16.00%
60.00%	20.50%	10.33%	93.00%	36.50%	16.00%
61.00%	23.50%	10.54%	94.00%	36.50%	16.00%
62.00%	23.50%	10.74%	95.00%	36.50%	16.00%
63.00%	23.50%	10.94%	96.00%	36.50%	16.00%
64.00%	23.50%	11.13%	97.00%	36.50%	16.00%
65.00%	23.50%	11.31%	98.00%	36.50%	16.00%
66.00%	25.50%	11.53%	99.00%	36.50%	16.00%
67.00%	25.50%	11.75%	100.00%	36.50%	16.00%

Inviting ENAMI as a minority partner

Following the recently published National Lithium Strategy, public-private partnerships have been encouraged as the preferred route to secure the long-term production of lithium from Chile. Public-private partnerships are common in the mining industry as they can provide significant economic and social benefits to the jurisdiction.

CleanTech Lithium's applications invite the Chilean Government, through partnering with the State entity ENAMI or any other public company created to support lithium production to take a minority participation in the Projects. In this circumstance, the aim is for the percentage participation to be consistent with other JV arrangements in which ENAMI has entered into in the past, which has generally been around 10%.

Working with Local Communities

CleanTech Lithium is determined to set the standard on developing sustainable lithium projects in Chile, with constructive impact on regional and local development. CTL has entered early dialogue and engagement with regional authorities and particularly with local communities, to consult, educate and receive feedback on the Company's progress.

To build on this, the Company recently opened a community liaison office, located at a strategic location in Copiapó, near to the regional government offices. The office will be a base for operational staff as well as an opportunity to invite local communities and different stakeholders to discuss the Projects.

The Company is committed to having a collaborative approach in order to manage, measure and monitor its social and environmental impacts.

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Notes

About CleanTech Lithium

CleanTech Lithium (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF) is a leading sustainable lithium explorer and developer in Chile for the clean energy transition. Our mission is to produce material quantities of battery grade lithium using Direct Lithium Extraction technology, powered by renewable energy. Direct Lithium Extraction technology is based on using an adsorbent to selectively extract lithium from brine whilst spent brine is re-injected into the sub-surface aquifers. This minimises the environmental impact of lithium extraction and avoids the aquifer depletion associated with the use of evaporation ponds. The company plans to be the leading supplier of 'green' lithium to the global battery manufacturing market.

CleanTech Lithium has three prospective lithium projects - Laguna Verde, Francisco Basin and Llamara - located in the lithium triangle, the world's centre for battery grade lithium production. The Laguna Verde and Francisco Basin projects are situated within basins entirely controlled by the Company, which affords significant potential development and operational advantages. Llamara is the Company's latest greenfield project, which offers material potential upside at a low initial cost. All three projects have direct access to excellent infrastructure and renewable power.

CleanTech Lithium is committed to using renewable power for processing and reducing the environmental impact of its lithium production by utilising Direct Lithium Extraction. Direct Lithium Extraction is a transformative technology which removes lithium from brine, with higher recoveries and purities. The method offers short development lead times, low upfront capex, with no extensive site construction and no evaporation pond development so there is minimal water depletion from the aquifer or harm to the local environment.

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