RNS Number : 2129O
CleanTech Lithium PLC
29 September 2023

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CleanTech Lithium PLC ("CleanTech Lithium" or "CTL" or the "Company")
Auditor Reviewed Interim Results for six-month period ending 30 June 2023

CleanTech Lithium PLC (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF), an exploration and development company advancing sustainable lithium projects in Chile for the clean energy transition, is pleased to announce its Interim Results for the six-month period ended 30 June 2023 ("1H 2023" or "the Period"), which have been subject to auditor review, a copy of which will be made available on the Company's website https://www.ctlithium.com

The Company has undergone an extensive work programme across three projects during the Period and has also now added a new project to its portfolio.

Highlights of the Period:

- **Strategy:** Continue to deliver on mission to produce battery grade lithium and be a leading supplier of green lithium to the EV and battery manufacturing market.
- **Health & Safety:** Zero-harm safety culture focused on continuous improvement to achieve an injury free and healthy work environment - no LTIs, major incidents or near misses recorded in 1H 2023.
- **Laguna Verde Scoping Study:**
  - Study completed in January 2023 which confirms the potential of the project to become a major new sustainable lithium supplier with robust economics - showing an NPV of US $1.83bn and IRR of 45%, based on an 8% discount rate.
- **Expansion:**
  - Licence areas at Laguna Verde increased to 217 km^2 and at Francisco Basin to 127 km^2
  - Further licenses for the Llamara greenfield exploration programme granted, now covering a total area of 605 km^2
  - In June, a new exploration project in the Salar de Atacama basin, the leading lithium production base in the world, with licence applications covering an area of 377 km^2
- **Drilling Activity**:
  - Laguna Verde:
    - Assays from re-sampling of well LV02 received, with an improvement in average lithium grade to 203mg/L and a peak grade of 417mg/L lithium.
    - Two additional wells drilled at LV05 and LV06 to extend the JORC resource
  - Francisco Basin: All three new wells planned for the 2023 drilling campaign completed and two additional wells were added to the programme to further test the extension of the resource.

- Llamara: Maiden exploration well completed, brine samples depleted in lithium. Samples taken from surface evaporite mineral results pending, next stage of exploration to be further evaluated.
- In total, ten (10) wells were drilled across three projects in the Period, understood to be the most extensive drilling activity for lithium in Chile over the past few years.

- **Hydrogeological Test-work:**
  - Laguna Verde
    - Completed pump test programme on two wells, recording flow rates that support the projects' brine extraction model.
    - Commenced brine reinjection test, first of its kind in Chile and a key part of the green credentials of Direct Lithium Extraction and minimising environmental impact
  - Francisco Basin
    - Completed pump test programme on one well, recorded high flow rate supporting the projects' brine extraction model.

Corporate:

- **Trading:** Commencement of trading on the OTCQX Venture Market in late May 2023, providing efficient access for U.S. investors and increased liquidity for shareholders.
- **Board changes**
  - Steve Kesler moved to the position of Executive Chairman to provide support and relevant experience to CEO, Aldo Boitano.
  - Appointed two Non-Executive Directors, Maha Daoudi and Tommy McKeith, further bolstering the strength and experience of the Board.
- **ESG Committee:** Formation of an ESG Committee, reporting to the Board, to ensure the Company is being held accountable across all ESG factors. First meeting held on 30 June 2023.
- **Cash position as at 30 June 2023:** £4,638,749
- **Exploration and Evaluation costs**: £5,481,243

Post-period Highlights:

- **DLE Pilot Plant:** Ordered in 1Q 2023 and currently being assembled at Company facility in Copiapó, designed to produce up to 1 tonne per month of lithium carbonate equivalent (LCE). Commissioning expected to complete before end 2023 with operations commencing thereafter
- **CEOL Applications:** Submitted applications for the special lithium operation contracts (CEOLs) to the government of Chile for Laguna Verde and Francisco Basin in September 2023 - an important milestone towards commercial production of lithium from the two projects. Discussions to progress the CEOL applications to continue with the relevant authorities over the next 3-6 months.
- **Laguna Verde:**
  - A JORC Compliant resource upgrade was announced in July 2023 with a resource estimate of 1.8 million tonnes of LCE at a grade of 200 mg/L. 63% of the estimate is now in the Measured & Indicated category.
  - A pre-feasibility study (PFS) now in progress led by the internationally recognised engineering company, Worley. The PFS will enable substantive discussions on strategic partners, offtake and financing to commence and is due to complete in 1Q 2024.
- **Francisco Basin:**
  - A JORC Compliant resource upgrade was reported in August 2023 with a resource estimate of 0.92 million tonnes of LCE at an average grade of 207 mg/L. 48% of the estimate is in the Indicated category, and the remining portion is Inferred.

- Scoping Study was completed in September 2023 which provided added confidence to the viability of project. The study reported the project has an NPV of $1.1 billion and an IRR of 43.5%, at an 8% discount rate.

· **Salar de Atacama:**

- 140 exploration mining concession applications registered which are expected to be granted in approximately Q1 2024.
- The licence area totals 337 km^2, within the leading lithium production basin in the world.
- Any technical work planned will be undertaken in consultation with local communities.

Aldo Boitano, Chief Executive Officer, CleanTech Lithium said: *"It has been a period of transformative progress to date as we continue to explore and develop our lithium projects in Chile towards first production of sustainable battery grade lithium.*

"Notably, we completed Scoping Studies for our Laguna Verde and Fransisco Basin projects, highlighting the robust and attractive economics for two 20,000tpa lithium carbonate production projects utilising DLE operations and renewable energy for power, with the aim of producing lithium with a low environmental footprint for the EU and US markets. We also increased our JORC resources on both projects, especially in the more robust Measured & Indicated categories. Our two flagship projects have a combined NPV of approximately US$3billion and an IRR of more than 43% for each project, with scope to improve these excellent economics further.

"In addition, our DLE pilot plant is under construction in Copiapó, and special lithium operating contracts (CEOLs) have been successfully submitted for both projects, two key milestones. A PFS is underway at our Laguna Verde project. For the remainder of 2023 and beyond we remain committed to delivering on our active work programmes and path to production. We also continue to work towards the planned ASX listing in Australia in the coming months, a process taking up quite a bit of management time.

"I would like to take this opportunity to thank our dedicated team, who continue to work tirelessly in the pursuit of our vision - to be a leading supplier of 'green' lithium for the clean energy transition."

Chairman and Chief Executive Officer's Review

The following review is a look back at the highlights from the first half of 2023:

Business Strategy:

CleanTech Lithium is an exploration and development company with brine-based lithium projects in Chile and its purpose is to produce commercial quantities of lithium in a cleaner way by adopting Direct Lithium Extraction (DLE) technology, powered by Chile's existing renewable energy grid. CTL plan to supply 'green' lithium for the batteries that power electric vehicles (EVs) and support the global clean energy transition. The Company is carrying out active work programmes across four assets where we hold (either directly or under option) 100% of the licences to explore. In total, CTL has a JORC compliant resource of 2.7 million tonnes of lithium carbonate equivalent (LCE) with promising economics following recent scoping studies for the Company's two main projects: Laguna Verde and Francisco Basin. Laguna Verde has a net present value (NPV8) of US $1.8 billion and an IRR of 45% and is now in Pre-Feasibility Study. CTL's second project, Francisco Basin, a year behind Laguna Verde, has a NPV8 of US$1.1 billion and an IRR of 43.5% and will move into Pre-Feasibility Study mid-2024 following the upcoming new drilling campaign to increase resource size.

In the 18 months to 30 June 2023, we have spent over US $15 million in Chile, an amount which is expected to grow to over US $20 million by the end of 2023. Part of this investment has seen the arrival of our US $2 million DLE pilot plant which is being assembled at our facility in Copiapó which will treat the brine samples from Laguna Verde and Francisco Basin. The plant will extract lithium from the brine and produce a purified concentrated eluate that will feed the downstream process to deliver 1 tonne per month of lithium carbonate equivalent (LCE) for product qualification by potential partners. Commissioning of the plant is expected to be finalised in Q4 2023.

CTL operates in Chile, a country that has a long mining history and the largest lithium reserves in the world. The infrastructure and technical capacity of the people are in place to accelerate lithium production and contribute greatly to the lithium supply that is required to decarbonise transport and help reach global net-zero targets. The Government of Chile is focused on driving a green economy which complements CTL's stated objective of becoming a leading supplier of 'green' lithium. The National Lithium Strategy, which was announced in April 2023, will see public and private partnerships being formed to ensure Chile remains a top producer of lithium, together with the use of DLE (or similar sustainable technologies) for all new lithium development projects going forward. We plan to play a major role in achieving this ambition.

To achieve this, the Company's strategy is focused on delivering long-term sustainable growth and returns for all stakeholders, built by CTL's four pillars:

- Develop prospective lithium projects (Laguna Verde, Francisco Basin, and potentially Llamara and Salar de Atacama) in Chile;
- Utilise proven sustainable technologies (including DLE and renewable energy to power operations);
- Produce commercial battery-grade lithium with a shorter delivery time;
- Supply directly into the EV market through strategic partner and offtake arrangements.

Summary of project activity

In Q4 2022, a Scoping Study was completed for Laguna Verde and the results were declared in early January 2023, demonstrating robust economics which were based on the JORC Compliant resource estimates published in September 2022. A further JORC Compliant resource upgrade was made in July 2023 with a resource estimate of 1.8 million tonnes of lithium carbonate equivalent (LCE) of which 39% moved to the Measured & Indicated category, with 63% of the JORC resource now being in that category. A pre-feasibility study (PFS) for Laguna Verde is now in progress led by the internationally recognised engineering company, Worley. This PFS, due to complete in early 2024, will enable substantive discussions on strategic partners, offtake and financing to commence.

In Q3 2023, a Scoping Study was completed for the second project, Francisco Basin, and the results declared in September 2023, which provided added confidence to the viability of the project. Francisco Basin has an NPV of US $1.1billion and an IRR of 43.5%. This momentum continues with the ordering of the DLE Pilot Plant in Q2 2023 from PuriTech, a subsidiary of Sunresin, that we aim to have up and running in Q4 2023 with the intent to produce up to 1 tonne per month of LCE.

CleanTech Lithium's success as a business is shared with its key stakeholders and the Company recognises the long-term relationships it must nurture to create a long-term sustainable business.

Part of CTL's plan involves an early engagement strategy with local communities and the Chilean government to continue CleanTech's licence to operate as the Company grows. Following discussions with government representatives, CTL submitted applications for the special lithium operation contracts (CEOLs) to the government in Q3 2023. These operating contracts will be an important milestone towards commercial production of lithium from the two projects; Laguna Verde and Francisco Basin. Approval will help the Company secure investment for the 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.

Path to production

The first half of 2023 saw the expansion of CTL's resources by conducting successful drilling campaigns and this has been supported by the Company's ongoing engagement with local communities and Chilean state entities. The demand for lithium remains high and with this comes responsibility to produce and supply lithium in the cleanest way possible for the intended benefits of electrified decarbonised transport.

CleanTech Lithium's projects, Laguna Verde, Francisco Basin, Llamara and the new addition of Salar de Atacama span over 1,250 km^2 in the lithium triangle in Chile, the world's centre for battery-grade lithium. Laguna Verde and Francisco Basin are c.300km by road from the mining centre of Copiapó in the Atacama region of Chile, Llamara and Salar de Atacama are about 600km and 550km respectively north of Copiapó.

Laguna Verde

Key developments:

- Scoping Study completed and announced early January 2023 demonstrating robust economics - NPV8 of US $1.8 billion and an IRR >45%.
- Pre-Feasibility Study (PFS) for Laguna Verde commenced in March 2023, with Worley and is targeted for completion in early 2024.
- JORC-Compliant resource upgraded from 1.5 million tonnes to 1.8 million tonnes of LCE announced in July 2023, with a 39% increase in the Measured and Indicated category which is being used in the PFS to reaffirm project's logistics and capital requirements.
- Environmental Baseline studies commenced in April 2022 for the Environment Impact Assessment (EIA)

The Company started the year by adding three drill holes at the Laguna Verde project, as shown in Figure 1 below. Resource drill holes LV04 - LV06 were completed with the aim of upgrading the initial resource estimate made from LV01 - LV03. Sites LV05 and LV06 are important locations with respect to the Laguna Verde resource model, aligning with the deepest sections of the model and being most representative of the sub-surface resource directly beneath the footprint of the laguna. After the drilling campaign finished, in July 2023, the Company announced an upgraded JORC resource estimate increasing from 1.5 million tonnes to 1.8 million tonnes of LCE at an average grade of 200mg/L lithium.



Fig 1: Laguna Verde Resource Drill Programme Map

This upgrade included a significant increase (39%) in the Measured and Indicated resources to 1.1 million tonnes LCE, including a large increase (174%) in the Measured category. The increased Measured and Indicated resources are being used in the PFS.

In January 2023 results of a Scoping Study undertaken by Ad-Infinitum, a Chilean engineering services company/technical consultant with over 30 years of experience in the lithium sector with clients including SQM, Albemarle and Galan Lithium, were announced. This study, which was based on the previous resource estimates of 1.5 million tonnes of LCE, considered a base case production rate of 20,000 tonnes per annum of battery-grade lithium over a 30-year period and demonstrated robust economics.

A summary of the outcomes for key operational and economic analysis metrics derived from the completion of the scoping study are presented in the table below.

Key Operating Metrics	**Unit**	**Study Outcome**
Production Rate of Lithium Carbonate	Tonnes per annum	20,000
Operational Life	Years	30
Resource (Measured + Indicated)	Thousand tonnes	802.6
Construction Period	Years	1.5
Recovery rate - Direct Lithium Extraction	%	90.4
Recovery rate - Concentration stages & chemical plant	%	94.2
Recovery rate - Total	%	85.2
Key Financial Metrics		
Capital Cost (including 10% contingency)	US$ Million	383.6
Operating Cost	US$ / tonne Li2CO3	3,875
Lithium Price (Lithium Carbonate))	$US/tonne	Forecast Curve (*)
Accumulated Net Cashflows Over Operational Life	US$ Billion	6.3
Payback Period	Years	1 year 8 months
IRR Post-Tax	%	45.1
NPV Post-Tax (Discount Rate = 8%)	US$ Billion	1.83
NPV Post-Tax (Discount Rate = 10%) - Sensitivity Analysis	US$ Billion	1.43

Note (*) - long-term LCE price from Canaccord of US$22,500 per annum from 2026
Table 1: Laguna Verde key operational and economic analysis metrics from Scoping Study Jan 2023

Pumping test at Laguna Verde

The Company also carried out fixed duration pump tests at LV05 and LV06. Based on the flow rate and aquifer response a transmissivity for LV05 and LV06 was calculated as 27.1 m^2 and 22.6m^2 per day respectively, which should allow a commercial bore flowrate to be approximately 30L/s. This is in line with the flow rate of extraction bores used in the completed Scoping Study for Laguna Verde. A hydrogeology study also commenced Q4 2022 to allow modelling of water flows in the basin and enable extraction and reinjection wells to be best located.

CleanTech Lithium commenced the environmental baseline studies in April 2022 using international specialist service provider, MYMA. Work has progressed well, and we will undertake the EIA based on the project design that will come out of the PFS and then work with the relevant regulatory authorities to obtain environmental approvals.

Francisco Basin

Key developments:

- Scoping Study completed and announced September 2023 which, like Laguna Verde, also showed robust economics - NPV8 of US $1.1 billion and an IRR 43.5% for a production rate of 20,000tpa lithium carbonate and an operational life of 12 years based on the current resource.
- JORC-Compliant resource of 0.5 million tonnes of LCE announced October 2022 has been updated and almost doubled to 0.9 million tonnes of LCE as reported in August-2023.
- Extensive drilling campaign completed in 1H 2023, involving the completion of five wells - FB02 - FB06 with another campaign planned for Q4 2023.
- Pump test at well FB01 supported the scoping study well design of 30l/s.

In October 2022, the Company announced a maiden JORC compliant resource of 0.53 million tonnes LCE at an average grade of 305mg/L, based on the first well result at Francisco Basin. To increase the resource and upgrade it to a higher confidence level, a drill programme of 5 additional wells was undertaken in the first half of 2023. The location of wells completed in 2022 and 2023 are shown in Figure 2.

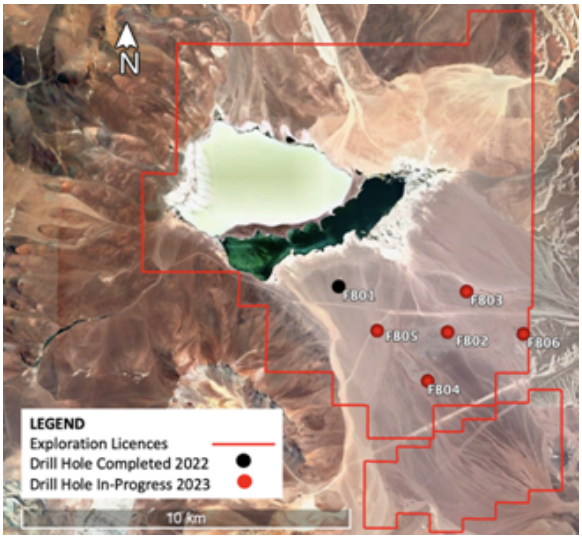


Fig. 2: Francisco Basin Resource Drill Programme Map

The 2023 resource estimate showing the key inputs in the calculation and the change vs the previous 2022 estimate is shown below in Table 2. The upgraded resource estimate represents an increase in the total estimated resource of 74% to 0.92 million tonnes LCE and includes an upgrade to 0.44 million tonnes in the Indicated category. This represents a large increase in the confidence level of the resource estimate.

	Total Volume (million m3)	Specific Yield (%)	Brine Volume (million m3)	Grade (mg/L Li)	Resources (million tn LCE)	Change (%)
Indicated	3,376	11.2%	378	221	0.44	New est.
Inferred	3,314	13.8%	458	195	0.48	-8%
Total Resource				**207**	**0.92**	**74%**

Table 2: Updated JORC Resource Estimate 2023

A further drilling campaign is planned to start Q4 2023 to further increase the resource and its quality.

In addition, we carried out a fixed duration pump test at FB01. This supported the use of a 30 l/s well design for the scoping study.

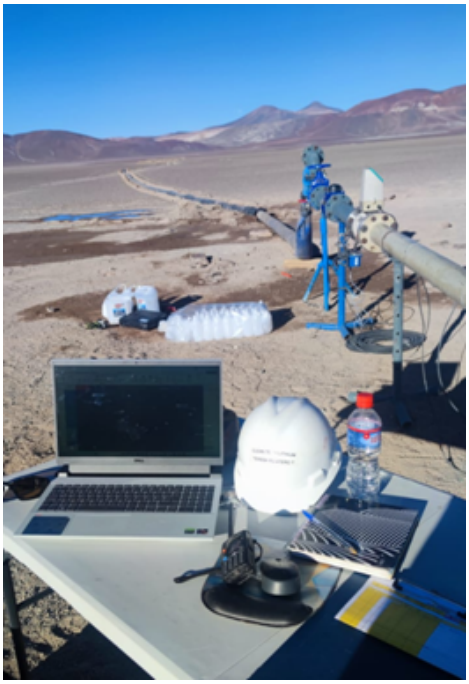




Fig 3: Pictures of FB01 Pump Test in Progress

The Francisco Basin Scoping Study was undertaken by Ad-Infinitum, the same Chilean engineering company which conducted the Laguna Verde Scoping Study. This study was based on the resource estimate of 0.9 million tonnes of LCE and supports the project's development which is a year behind the Company's first project, Laguna Verde. It considers a production rate of 20,000 tpa lithium carbonate and the same DLE technology as for Laguna Verde. However, the current resource limits operational life to 12 years. The additional drilling is expected to increase resource and allow a longer operational life.

A summary of the outcomes for key operational and economic analysis metrics derived from the completion of the scoping study are presented in the table below.

Key Operating Metrics	**Unit**	**Study Outcome**
Production Rate of Lithium Carbonate	Tonnes per annum	20,000
Operational Life	Years	12
Resource Utilised (Indicated & Inferred) - Total	Thousand tonnes	236.0
Resource Utilised (Indicated) - 68%	Thousand tonnes	160.5
Resource Utilised (Inferred) - 32%	Thousand tonnes	75.5
Construction Period	Years	1.5
Recovery rate - Direct Lithium Extraction	%	94.8
Recovery rate - Concentration stages & chemical plant	%	90.0
Recovery rate - Total	%	89.3
Key Financial Metrics		
Capital Cost (including 20% contingency)	US$ Million	450.0
Operating Cost	US$ / tonne Li2CO3	3,641
Lithium Price (Lithium Carbonate))	$US/tonne	Forecast Curve (*)
Accumulated Net Cashflows Over Operational Life	US$ Billion	2.5
Payback Period	Years	2 years 7 months
IRR Post-Tax	%	43.5
NPV Post-Tax (Discount Rate = 8%)	US$ Billion	1.09
NPV Post-Tax (Discount Rate = 10%) - Sensitivity Analysis	US$ Billion	0.89

Note (*) - long-term LCE price from Canaccord of US$22,500 per annum from 2028

Table 3: Francisco Basin key operational and economic analysis metrics from Scoping Study

Environmental baseline studies are also underway, utilising the same consultants, MYMA, as we have partnered with for Laguna Verde. We anticipate commencing our PFS at Francisco Basin in mid 2024 following completion of the upcoming resource expansion drilling campaign.

Exploration upside projects:

Llamara

Key developments:

- Drilling campaign at Llamara commenced in April 2023, with drill hole LL01 reaching depths to 292m.
- Historic oil and gas exploration geophysics indicated the presence of a highly saline aquifer but did not encounter gas. However, the Company encountered gas at modest low pressure and flow rate, and, for safety reasons, the Company closed the well and commenced a second drill hole LL02 in May 2023.
- Brine samples collected from the first well were depleted in lithium while the first batch of surface samples recorded minor lithium enrichment along with high grades of boron. Samples taken from second drill with results pending and further exploration being considered.

Towards the end of 2022, we applied for exploration licenses of a basin area, Salar de Llamara, spanning 605km^2 and 600km north of the two other projects, adding a third project, Llamara.

In April 2023, a drill rig was mobilised to the project with drilling of the maiden exploration drill hole, LL01. Drilling of LL01 progressed rapidly with good core recovery to 292m. At 290m, drilling transitioned from dense clays to a porous sandstone.

In this sandstone layer, brine was recorded along with a flow of gas which was unexpected based on regional geology. Historically there have been four deep oil and gas exploration holes drilled within the basin which did not record gas. As the gas was present at a shallow depth, the pressure and flow rate were modest, however, for safety reasons, it necessitated the well to be closed.

A second drill hole (LL02) was completed to a depth of 550m. Brine was intersected at 395m and a total of eight brine samples were collected from the start of the aquifer to the bottom of the well. The samples were submitted for analysis to ALS Chile with results showing low grades of lithium.

Sediment samples collected from the LL02 drill core were also analysed for lithium and showed a rising trend with depth, with the final sample taken at approximately 545m depth recording the highest value of 120ppm Lithium, indicating that there is an increasing trend of lithium with depth and that the brine aquifer below the 550m end of hole may have higher prospectivity.

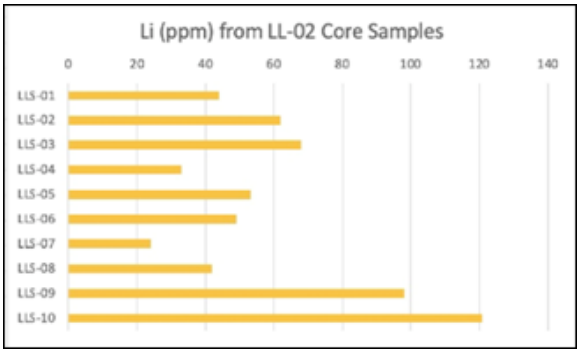


Fig 4: Lithium Grade of Sediments Collected from LL02 Core Samples

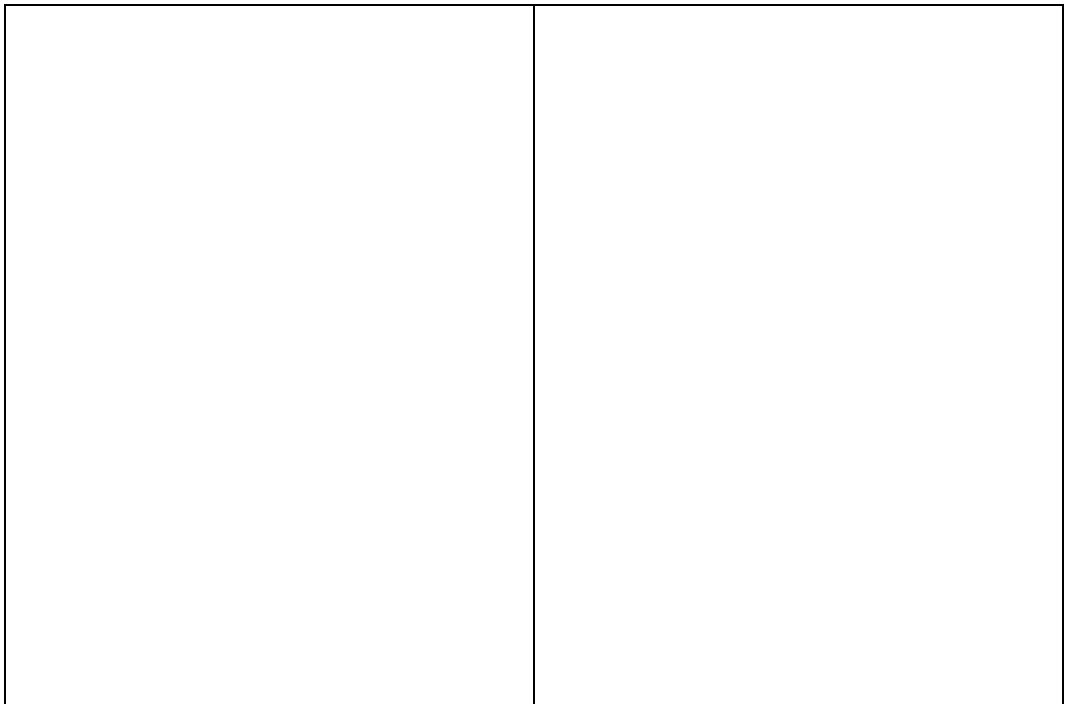
The sampling programme on the surface evaporite deposit was completed with a total of 23 samples collected. There were two geologically distinct types of samples collected, the first characterised as loose sediment samples and the second being the hard evaporite mineral. Laboratory analysis has been completed on the loose sediment samples which showed minor lithium enrichment of up to 106ppm Lithium, while high boron grades were notable with three of the samples exceeding 20,000ppm Boron. Laboratory results are pending for the hard evaporite mineral samples which in the view of the Company´s geology team, will be more prospective for lithium. On receiving the final evaporite mineral sample results, the Company will evaluate and consider the next steps.

Salar de Atacama

Key developments:

- Applications lodged and now registered for new licences covering a total area of 377 km^2 in the Salar de Atacama basin, the leading lithium production base in the world
- A geophysics programme has commenced with the first completed section identifying a subsurface brine aquifer target
- Any technical work planned will be done so in consultation with local communities

From June to August 2023, the Company submitted applications over areas in the Salar de Atacama basin as shown in Figure 5. The applications, covering a total area of 377 km^2, have now been registered on the Chilean Mining Register and it is expected these licences will be granted in the next few months. Salar de Atacama is the largest lithium production base in the world where the two leading producers of battery grade lithium, SQM and Albemale, have extensive licence positions. Several of CTL´s application blocks are adjacent to SQM´s licences. Information derived from publicly available Environmental Studies, conducted by SQM and other organizations suggests that the lithium-rich brine deposits extend beyond the core salar region inside the basin. This underscores the promising potential for CTL´s applications in these areas of significant prospective lithium reserves. A geophysics programme comprising both Transient Electro Magnetic (TEM) and Magnetotellurics (MT) lines has commenced with the planned lines shown in Figure 6. MT allows for the depth profile to extend to 1000m.



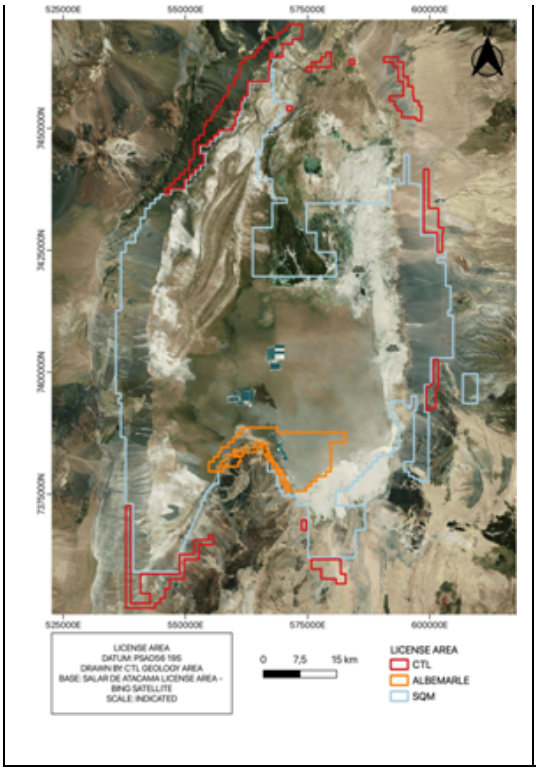


Fig. 5: CTL Licence Applications

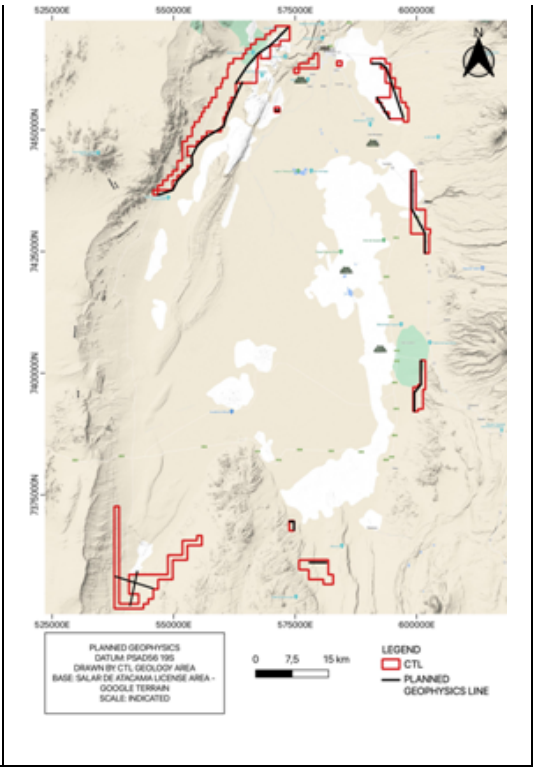


Fig. 6: Planned Geophysics Lines

The geophysics contractor recently completed a section of seven stations spaced 200m apart on the first west-east transect located on the southern licence block. The resistivity profile based on the completed section extends to 1,200m in depth, as shown in Figure 7. The profile shows a low resistivity anomaly starting from a depth of 400m with an approximate thickness of 200m which deepens to the south-east. This is interpreted to be a sub-surface hypersaline aquifer which provides a target for further exploration evaluation.

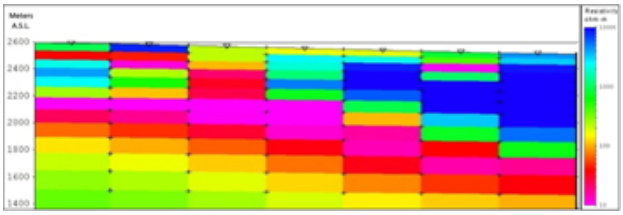


Fig. 7: MT-TEM Resistivity Profile Salar de Atacama South Block

Direct Lithium Extraction (DLE) moving into the mainstream

Key developments:

- CTL ordered the US$2 million DLE Pilot Plant from Sunresin in Q1 2023.
- The first of two parts arrived at CleanTech's facility in Copiapó in Q3 2023. The plant is designed for process optimisation and to produce a purified concentrated eluate that will feed the downstream process to deliver 1 tonne per month of lithium carbonate equivalent (LCE) for product qualification by potential offtakers and strategic partners.
- The commissioning of the plant is expected to be finalised in Q4 2023.



Fig. 8 DLE pilot plant columns installed in Copiapó



Fig. 9 Rotary valve final tests Belgium (Aug 2023)

In June 2022, CTL were delighted to announce that the Company completed laboratory scale test-work to produce a 1kg sample of battery-grade lithium carbonate. In line with CleanTech's ambition to produce 'green' lithium through utilising renewable power and DLE, CTL is working with the world leading DLE company Sunresin to supply DLE technology for CTL's Chilean operations. During 2022 and 2023, the Company has worked with Sunresin testing the brine from the sub-surface aquifers taken from the resource drilling programmes at Laguna Verde and Francisco Basin to provide key data on DLE parameters that will inform feasibility studies.

The Company ordered a lab-scale DLE demo unit which arrived in Chile in November 2022 and this is currently operating in our facility in Copiapó to test the brines and various adsorbents and optimise our processes for larger scale tests. A larger scale DLE pilot plant was ordered in Q1 2023 that has the potential to produce up to one tonne of purified concentrated eluate that will feed the downstream process to produce up to 1 tonne per month of battery-grade lithium carbonate for testing and qualification by potential customers. The Pilot Plant, which arrived in stages in Q3 2023, aims to be commissioned and operating in Q4 2023. It will be located at our facility in Copiapó so that test work can continue year-round.

The benefit of DLE is the lower environmental footprint in terms of land and water use in addition to higher recoveries and faster processing. However, it requires more energy than the traditional evaporation ponds. Chile has a high and increasing proportion of its energy from renewables, hydro, solar and wind. The Company intends to secure a 100% renewable energy power purchase agreement (PPA) with a supplier for 24/7 year-round supply of renewable energy thus ensuring our lithium production has close to zero carbon footprint.

The process is shown schematically in Figure 10 with brine pumped from the aquifer to the DLE plant where lithium is adsorbed and the spent brine, minus, lithium, is reinjected back into the aquifer at a location that does

not result in dilution of the lithium brine. The lithium is then desorbed from the adsorbent using water and the resulting eluate is then concentrated, purified and precipitated as battery grade lithium carbonate.

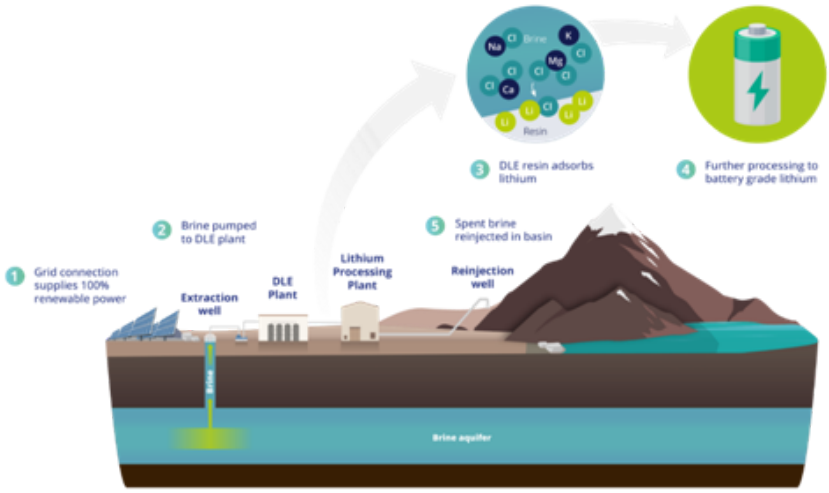


Fig 10. Summary of the DLE process based on lithium adsorption from below-surface brine

Reinjection Programme to Commence

For a DLE based project, the other key element of the project's hydrogeological model is the reinjection of spent brine into the subsurface aquifers of the basin. At Laguna Verde, and at Francisco Basin, the Company has a dominant tenure position in the basin allowing for extraction and reinjection of brine in different zones of the basin. In the Scoping Study completed for the Laguna Verde project two sites were proposed for reinjection bore fields. The primary basis for site selection is to limit the distance and elevation difference between the reinjection site and the DLE process plant, where spent brine will be pumped from, and a favourable site geology for subsurface sediments that will host the re-injection brine volume while providing a geological separation with the resource area.

Finance

In the six-month period ending 30 June 2023, CleanTech has continued to prioritise expenditure on its extensive capital programmes. Capital expenditure in the six months to 30 June 2023, totalled £5.5 million and includes expenditure on the following:

- LV - 2 well programme;
- FB - 6 well programme;
- LL - 2 well programme;
- DLE plant - design, resin and metallurgical testing;
- Hydrogeological - modelling, pump-test and reinjection programmes;
- EIA - baseline studies and best practices initiatives;
- Scoping studies for Laguna Verde and Francisco Basin and progress on the pre-feasibility study for Laguna Verde

In addition to the capital programmes noted above, non-capital cash costs of approximately £2.0 million have been incurred. Those cash costs, largely reflecting £0.5 million for staff costs, £0.7 million for promotion, public and investor relations and travel, £0.7 million for legal and professional support including listing and compliance and insurance costs, the balance of £0.1 million to comprises a variety of other and general administrative costs. These cash costs were offset by £0.4 million in proceeds from an exercise of share options by a former employee.

CleanTech Lithium plans to continue developing its assets on all fronts moving towards early production in 2026. In support, the Board has developed a financial strategy which includes raising additional funds at the

appropriate time. It is worth noting that CleanTech regularly receives approaches from third parties seeking either to provide funding or to participate more directly in the Company's projects in the form of strategic partnerships. Although such strategic partnership discussions remain governed by non-disclosure agreements, it is expected that they will progress more seriously once the Laguna Verde PFS is completed and once the initial outputs from the DLE pilot plant (which the Company will be commissioning in Q4 2023) are known. In the meantime, with £4.6 million of funds held at 30 June 2023, the Company will continue its work programme and look to raise additional funds in the coming months to maintain operational momentum as appropriate. In light of the quality of its assets and the approaches received, the Board recognises there are various funding sources the Company can consider to help it achieve its ends; ensuring its ends are achieved in line with shareholders' interests remains of key importance to the Board.

Chile Government:

Chile's President, Gabriel Boric, announced in late April 2023, the country's National Lithium Strategy, which focuses on public-private partnerships and the sustainable development of the lithium industry for the benefit of the country, communities and private enterprise.

The focus of the strategy outlined by the Government is on partnership, with the aim of leveraging complementary skills and resource in support of the sustainable development of the lithium industry in Chile. The proposals as outlined, including public-private partnerships and the creation of a national lithium company similar to Codelco for Chile's copper industry, are broadly in-line with those expected, based on our prior discussions with government officials. The Board welcomed these proposals, which the directors view as creating a greater degree of certainty for the lithium industry in Chile and therefore an improved climate for investment.

Importantly the Company's strategy of utilising DLE and renewable energy-based processing aligns perfectly with the Government's agenda for the lithium industry, which is advocating for the use of DLE as the primary method of lithium extraction for new projects.

This became evident when the Company's Executive Chairman, Steve Kesler, and CEO, Aldo Boitano, joined Government Ministers in Toronto for a series of talks and meetings where Chile was pitched as an attractive country for foreign investment and partnerships for those looking to support the development of green technologies. CleanTech Lithium was invited to 'Chile Day' to share our experiences and be an example of a company scaling a technology required for the intended green economy.

Operating contracts

The directors and senior management in Chile continue to maintain a highly active and positive dialogue with representatives of the Government and relevant regulatory and government bodies and intend to obtain the required production permits, as planned, to enable lithium production to commence at the Company's projects from 2026 onwards.

In Q3 2023, our wholly-owned subsidiaries, Atacama Salt Lakes SpA and Laguna Negro Francisco SpA, submitted applications for operating contracts (CEOLs) for CTL's two most 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 the Company is open to inviting the state national mining company, ENAMI, to partner with CTL as a minority stake partner through standard joint venture ("JV") arrangements consistent with other such JV arrangements ENAMI has in place in the mining sector in Chile. This is a strategic decision by the Board because the government can provide expertise and fast-track approvals e.g., planning permissions which will help towards reaching our production target.

The Company will work with the authorities in Chile over the coming months to seek approval of these contracts which are submitted under the terms of the National Lithium Strategy and in compliance with current Chilean law.

Health & Safety:

CleanTech Lithium has carried out extensive drilling campaigns in 1H 2023 simultaneously across the three projects. The campaigns were carried out without any lost time incidents, with the health and safety of our employees and contractors being of the highest priority. CTL introduced special protocols for visits by any personnel and key stakeholders to Laguna Verde and Francisco Basin, given that they are both more than 4,000 metres above sea level.

ESG:

The Board formally set up an ESG Committee in Q2 2023 which is chaired by Non-Executive Director, Maha Daoudi. Its mandate is broad and it will report to the Board, in the same manner as for the Audit & Risk Committee and the Remuneration Committee, to ensure the directors are being held accountable across all ESG matters. The composition of the ESG Committee and its formal board mandate was finalised in late Q2 2023 with the first meeting being held on 30 June 2023.

The role and primary purpose of the ESG Committee is to support and advise the Board in fulfilling its responsibilities to:

- create stakeholder and shareholder value by understanding, managing, monitoring and reporting on sustainability and ESG risks and opportunities to ensure the long-term viability and growth of the Company.
- ensure that ESG principles are applied as a lens against all Company strategic decisions related to ESG outcomes, including environmental, social (including employees, local communities, and wider societal interests e.g. stakeholder engagement), and the way ESG matters are governed by the Company (e.g. stakeholder engagement, application of local and international laws, ESG investor ratings, company structure, etc.).
- ensure communication throughout the Company of the importance of developing a culture of ESG risk management, environmental and community responsibility and an awareness of the importance of health and safety and the preservation of human rights.

Previously, in 2022, the Company partnered with ESG consultants Blurred to produce a Materiality Assessment in accordance with SASB Materiality Standards. Their report was delivered to the Company in Q4 2022. Part of this process involved the CTL executive team being individually interviewed as well as representatives from senior management. This approach was supported by independent research, key stakeholder analysis and benchmarking across the industry. By applying a material risk lens to our business strategy, CTL is able to put ESG principles at the heart of our decision-making, ensuring we support the nearby communities and the environment as the Company move towards production and act on its commitments to becoming a truly green lithium supplier.

The outcome of the Materiality Assessment sets out where the biggest risks are and therefore the biggest opportunities for CTL to have the most positive impact, and where the Company must ensure potentially negative risks are mitigated.

To create a leading ESG strategy will require the Company to set ambitious commitments and targets. These measurements will be incorporated into future reporting and act as key discussion point when speaking to ESG minded funds and institutional investors. Demonstrating CTL's ESG credentials will ensure the Company is

progressing the company in the best way possible and it is currently discussing with measurement providers to support the Company in establishing an industry leading approach.

The Company will keep shareholders up to date with the progress of the ESG Committee and will be looking to publish an annual ESG Report in future years. The report will highlight the key issues being addressed and progress being achieved against agreed ESG-related targets. Publishing the reports will help existing and potential investors and partners to fully evaluate our ESG credentials.

Local Community Engagement and Support:
In line with the Company's ESG-focused strategy, collaborating with local communities is hugely important to CTL as with their support the Company can be sure it is developing in a way that respects their concerns. Their knowledge will continue to be of material importance for the Company as CTL moves forward across its projects. CTL has developed constructive relationships with the local communities across the Atacama region, encouraging open dialogue, transparency and recognising community knowledge to ensure the longevity of our success and social licence to operate. CTL has hosted visits from indigenous communities, most of which live in settlements approximately 100km away from its sites.

CTL has purchased the lease on a new office in Copiapó which became the operational centre in Q3 2023. The office will be a main drive for our community relations, a local hub where interested parties will be able to visit and communicate directly with its team and help inform the Company's planning and development for the benefit of all stakeholders.

Trading on AIM, Germany, USA and intending to complete ASX listing:
Towards the end of May 2023, the Company qualified to trade on the OTCQX® Best Market under the symbol "CTLHF" as the Company successfully met the high financial standards, best corporate governance practices, and complied with the U.S. relevant securities law. The graduation to the OTXQX Best Market demonstrates the Company's competency and will streamline any investment interest from investors in the United States and Canada.

Operational milestones remain the priority and with a steady flow of news recently the Company has seen increased trading volumes across all the exchanges that the Company is listed on. CTL has been reminded by its brokers that despite the turbulent market, CTL has performed well over 1H 2023 when compared to our peers and the market generally.

Lastly, the Board examined the merits of an ASX listing in early 2023 and held discussions with a number of its major shareholders and other parties. This resulted in two visits to Australia by Aldo Boitano, supported by Fox Davies Capital and Canaccord Genuity. Australia is a market that has a familiarity and long history with the mining and extractives industry, and recently with lithium, and the Company believes this community of investors and partners will secure further support for the Company. The Company has therefore been preparing for an ASX listing with the intention this will be successfully completed in Q4 2023. Good progress has been made on this with the support of the Company's lawyers, brokers and various other advisers (in Australia, Chile and elsewhere), as required as part of a stringent ASX listing regulatory process. Whilst this has been an extensive piece of work for the directors and management, the Board is looking forward to spreading the Company's exciting story to the very well-versed and extensive market in Australia.

Board & Management team:
Management Team
The Board's plan to production is supported and driven by its exceptional people. CTL is determined to drive change in the mining industry and that of Chile's green economy agenda. The team consists of a diverse range of

skillsets and backgrounds, with the majority of the team based in Chile with a portion of corporate roles held in the UK and Europe. The team in Chile continued to expand throughout 1H 2023 as it has added the necessary skills to make sure the Company has "all bases covered" on its operational, technical and administrative work programmes. This expansion will continue throughout 2023 and beyond as CTL enters new work programmes and keeps a line of sight on its goal of LCE production.

To enhance its communications with the Company's key stakeholders and ESG credibility, the Board appointed Nick Baxter as the new Head of Communications & ESG in Q1 2023. Nick joined the Company after working in London at the award-winning sustainability communications agency Blurred. Nick previously worked at the Natural History Museum and Freuds, one of the largest independent PR companies in the UK as a media relations manager and account director respectively.

Board

The following changes were made in 1H 2023 at Board level:

Steve Kesler: In March 2023, Dr. Kesler moved from his role as Non-Executive Chairman to Executive Chairman. Dr Kesler's background in developing major mining projects in Chile and elsewhere over 45 years will provide support and relevant experience to the CEO, Aldo Boitano, and at a time when the Company is intent on moving from exploration to the development and production phase. His particular focus will be on guiding the Company through the various strategic options in production, partnerships, offtake and financing.

Maha Daoudi: In March 2023, the Board was strengthened by the appointment of Maha Daoudi, who has tremendous experience in commodities, marketing and trading as well as other diverse interests. Maha's experience in offtake agreements with different commodities, especially in her previous senior role at Trafigura, and her ability to strike up international alliances is a key strategic advantage for the Company as it looks to establish a relationship with a strategic partner/s over the next year. Indeed, Maha will be leading a small group from the Company to China in Q4 2023 to engage with the senior management of the Company's DLE partner, Sunresin, and other potential parties who can add value. Maha's considerable experience in China, through her previous role at Trafigura, means she is very well experienced in operating in that market.

Tommy McKeith: Following Maha's appointment, in June 2023, ahead of the planned ASX listing, Tommy McKeith joined the Board as the Company's Australian-based Independent Non-Executive Director. Tommy is an experienced public company director and geologist with over 30 years of mining company leadership, corporate development, project development and exploration experience. He has held roles in an international mining company and across several ASX listed mining companies. Tommy holds a B.Sc (Geology), a Graduate Diploma in Engineering and an MBA (all from University of the Witwatersrand in South Africa). He has also been a Fellow of the Australian Institute of Mining and Metallurgy since 2009. Tommy has already demonstrated his experience to the Company as it moves forward on its plans in Australia and elsewhere.

Jonathan Morley-Kirk: Following Dr. Steve Kesler's moving to the Executive Chairman position earlier this year Jonathan became Senior Independent Non-Executive Director**.** This decision has been made to continue the open dialogue with shareholders and offer an alternative point of contact for investors and the Company. Jonathan plays a more active role in nurturing these relationships should shareholders have any concerns, while continuing to providing his support to the executive team.

With the appointments of Maha Daoudi and Tommy McKeith, the Company's Board is now made up of 6 directors as follows:

- Executive Chairman - Steve Kesler
- CEO - Aldo Boitano

- CFO - Gordon Stein
- Senior Independent Non-Executive Director - Jonathan Morley-Kirk
- Independent Non-Executive Director - Maha Daoudi
- Independent Non-Executive Director - Tommy McKeith

The Company's Board now comprises three Executive Directors and three Independent Non-Executive Directors, in full compliance with the QCA Code on Board composition, as referred to in the Company's Annual Report & Financial Statement for 2022.

Board Committees

Following the above-mentioned Board changes, the Board restructured its committee structures to ensure the right balance is in place going forwards and also better reflects the Directors' skills:

- Tommy McKeith is a member of the Audit Committee, with Jonathan-Morley Kirk remaining as Chairman.
- Tommy McKeith chairs the Remuneration Committee, with Maha Daoudi as the other member, and
- Maha Daoudi chairs the newly created ESG Committee, with Jonathan Morley-Kirk and Aldo Boitano as the other members.

Summary

The first half of 2023 involved extensive work programmes across many fronts for CTL, a programme our Board believes is unique in Chile at this time, given the different assets involved. The Company intends to drive forward, adopting best practice methodologies, seeking to apply ESG through our new committee structure and being confident in the support we are receiving from many parties in Chile, especially from the government, regulatory bodies and local indigenous communities. The Company believes it is in the vanguard of a new way of working with the different players in Chile and are excited to be a part of this new approach.

CTL's team continues to grow and the Company would like to take this moment to share its thanks to our employees, contractors and partners for their continued hard work over the first half of 2023. Everyone who is part of this Company plays an important role in maintaining momentum and advancing our ambition to become a leading supplier of lithium for the transition to electromobility and battery manufacturing.

Finally, Aldo and I are both excited to be part of our new extended Board which, we believe, now has the depth of experience, networks and drive to move the Company forward on all fronts towards first production of battery grade lithium in Chile, using sustainable production techniques. Our shareholders can be rest assured that the Board will do everything it can to achieve our goals and deliver the inherent value we believe can be achieved for our Company.

Steve Kesler, Executive Chairman,
CleanTech Lithium plc
28 September 2023

Aldo Boitano, Chief Executive Officer,
CleanTech Lithium plc
28 September 2023

INDEPENDENT REVIEW REPORT TO CleanTech Lithium PLC

Conclusion

We have been engaged by the company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 and the AIM Rules for Companies.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410") issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting".

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the interim financial information which indicates that the group is in a pre-revenue phase of development and until its transition to revenue generation and profitability the group needs to raise additional capital to continue financing its planned activities. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Our conclusion is not modified in respect of the matter.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK) 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with UK-adopted International Accounting Standard 34 and the AIM Rules for Companies.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Material Uncertainty Related to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have formed.

Crowe U.K. LLP, Statutory Auditors,

London, United Kingdom

28th September 2023

Condensed Consolidated Statement of Comprehensive Income

	Notes	Unaudited Six months to 30-Jun-2023 £	Unaudited Restated Six months to 30-Jun-2022 £
Income			-
Administrative costs	3	(2,628,104)	(1,183,180)
Provision for Chilean VAT recoverable	3	(635,096)	-
Operating loss		(3,263,200)	(1,183,180)
Finance cost		(9,806)	(2,258)
Loss before tax		(3,273,006)	(1,185,438)
Income tax	5	-	-
Loss for the period after tax		(3,273,006)	(1,185,438)
Other comprehensive income/(loss):			
Foreign exchange differences arising on translation of functional currencies		9,128	100,588
Total comprehensive loss for the period		(3,263,878)	(1,084,850)
Loss per share			
Basic	7	(0.0310)	(0.0166)

Condensed Consolidated Statement of Financial Position

	Notes	Unaudited As at 30-Jun-23 £	Audited as at 31-Dec-22 £
Exploration and evaluation assets	8	11,020,694	5,317,412
Non-current assets		11,049,694	5,317,412
Cash and cash equivalents		4,638,749	12,368,265
Trade and other receivables	9	225,080	278,339
Current assets		4,863,829	12,646,604
Trade and other payables	12	(479,093)	(440,338)
Provisions and accruals	12	(164,103)	(193,408)
Current liabilities		(643,196)	(633,746)
Net assets		**15,241,327**	**17,330,270**
Share capital		21,472,155	21,076,155
Capital reserve		(77,237)	(77,237)
Share based payment reserve		2,357,275	1,578,340

Foreign exchange reserve	324,823	315,695
Accumulated losses	(8,835,689)	(5,562,683)
Equity and reserves	**15,241,327**	**17,330,270**

Condensed Consolidated Statement of Changes in Equity

	Share Capital £	Capital Reserve £	Share based payment reserve £	Foreign exchange reserve £	Accumulated losses £	Total £
At 1 January 2022	-	5,313,295	-	(21,909)	(1,762,146)	3,529,240
Loss for the year (restated)	-	-	-	-	(1,185,438)	(1,185,438)
Other comprehensive income	-	-	-	100,588	-	100,588
Total comprehensive loss	-	-	-	100,588	(1,185,438)	(1,084,850)
Share-for-share exchange	5,051,201	(5,051,201)	-	-	-	-
Shares issued in subsidiaries	-	(339,331)	-	-	-	(339,331)
Shares issued	5,475,356	-	-	-	-	5,475,357
30 June 2022 (restated)	10,526,557	(77,237)	-	78,679	(2,947,584)	7,580,415
At 1 January 2023	21,076,155	(77,237)	1,578,340	315,695	(5,562,683)	17,330,270
Loss for the period	-	-	-	-	(3,273,006)	(3,273,006)
Other comprehensive income	-	-	-	9,128	-	9,128
Total comprehensive loss				9,128	(3,273,006)	(3,263,878)
Share options and warrants	-	-	778,935	-	-	778,935
Shares issued	396,000					396,000
30 June 2023	21,472,155	(77,237)	2,357,275	324,823	(8,835,689)	15,241,327

Condensed Consolidated Statement of Consolidated Cash Flows

	Unaudited Six months to 30-Jun-2023 £	Unaudited Restated Six months to 30-Jun-2022 £
Loss after tax for the period	(3,273,006)	(1,185,438)
Non-cash items:		
Fair value recognition of share options and warrants	556,896	-
Equity settled transactions or services	-	4,040
Movement in trade and other receivables	159,605	(433,426)
Movement in payables, provisions and accruals	22,964	(281,959)
Finance costs	(9,806)	2,258
Net cash used in operating activities	(2,543,347)	(1,894,525)
Expenditure on exploration and evaluation assets	(5,481,243)	(1,992,188)
Net cash used in investing activities	(5,481,243)	(1,992,188)
Proceeds from issue of ordinary shares	396,000	5,469,181
Finance costs	(9,806)	(2,258)
Net cash generated from financing activities	386,194	5,278,182
Net cash flow	**(7,638,396)**	**1,582,468**
Cash and cash equivalents brought forward	12,368,265	3,230,997

Net cash flow	(7,638,396)	1,582,468
Effect of exchange rate changes	(91,120)	(143,865)
Cash and cash equivalents carried forward	**4,638,749**	**4,669,600**

Notes to the Financial Statements

1. GENERAL INFORMATION

CleanTech Lithium Plc ("CTL Plc", or the "Company")

The condensed consolidated interim financial statements of CleanTech Lithium Plc for the first six months ended 30 June 2023 were authorised for issue in accordance with a resolution of the Board on 28th September 2023.

CleanTech Lithium Plc was incorporated and registered as a private company, initially with the name CleanTech Lithium (Jersey) Ltd, in Jersey on 1 December 2021 with registered number 139640. It was subsequently reregistered as a public limited company on 20 January 2022 and on 2 February 2022 it changed its name to CleanTech Lithium Plc.

On 14 February 2022, a share-for-share exchange between the shareholders of CleanTech Lithium Ltd (CTL Ltd, or the U.K. entity) and CTL Plc completed, resulting in CTL Plc acquiring and becoming the parent company of CTL Ltd and its wholly owned subsidiaries, together "CleanTech Lithium Group" or the "Group".

During the six months to 30 June 2023, there have been no changes to the structure of the CleanTech Lithium Group.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the Group have been prepared in accordance IAS 34 'Interim Financial Reporting' per the U.K.-adopted international accounting standards. They are unaudited and do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022 of CleanTech Lithium Plc, that can be found on the website: https://www.ctlithium.com. The report of auditor on those accounts was unmodified but it did make reference to material uncertainties related to going concern.

The amounts in this document are presented in British Pounds (GBP), unless noted otherwise. Due to rounding, numbers presented throughout these condensed consolidated Interim financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

A summary of the significant accounting policies can be found in the Company's consolidated financial statements for the year ended 31 December 2022, on pages 62 to 64. The accounting policies used to prepare these condensed consolidated interim financial statements are consistent

with those. Furthermore, there are no new standards or interpretations applicable from 1 January 2023 which have a significant impact on these condensed consolidated interim financial statements.

Significant accounting judgments, estimates and assumptions

In preparing this interim financial report, it has been necessary to make judgments, estimates and assumptions to form the basis of presentation, recognition and measurement of the Group's assets, liabilities, items of income statements, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The significant judgments, estimates and assumptions made when applying the Group's accounting policies are the same as those applied to the consolidated financial statements for the year ended 31 December 2022. The significant judgment in assessing the exploration and evaluation assets for the existence of indicators of impairment at the reporting date, which are set out in note 8.

Going Concern

The Group is in a pre-revenue phase of development and until its transition to revenue generation and profitability the Group will be required to rely on externally sourced funding to continue as a going concern, the Board recognises this condition may indicate the existence of material uncertainties, which may cast significant doubt regarding the Group's ability to continue as a going concern. Notwithstanding, the Directors have a demonstrated record of successfully raising capital raising for projects and ventures of this nature and are confident in being able to secure the funding needed for the Group to deliver on its commitments and continue as a going concern.

3. ADMINISTRATION EXPENES

Administration expenses in the six months to 30 June 2023 totalled £3.3 million, of which approximately £1.2 million reflects non-cash items. More specifically, approximately £0.6 million reflects a provision made against VAT in Chile which ought to be recoverable once production starts (Note 9 provides further detail). In addition to the non-cash VAT provision, approximately £0.6 million has been recorded as a share-based payments for share options awarded to staff and contractors (further detail is set out in Note 10).

Of the £2.0 million in cash costs, approximately £0.5 million relates to staff costs, £0.7 million relates to promotion, public and investor relations and travel, £0.7 million relates to legal and professional support including listing and compliance and insurance costs, the balance of £0.1 million comprises a variety of other and general administrative costs.

4. PRIOR PERIOD RESTATEMENT

The Group has restated its comparative interim financial information to correct the amount of loss on disposal of subsidiary which totalled £339k. It was incorrectly recognised in the condensed consolidated statement of comprehensive income and the condensed consolidated statement of changes in equity for the period ended 30 June 2022. The correction is reflected as a reserve movement in the reporting period within the equity and reserve. Accordingly, there is no restatement to the consolidated statement of financial position at 31 December 2021 and 30 June 2022.

5. SEGMENTAL INFORMATION

The Group operates in a single business segment, being the exploration and evaluation of mineral properties These activities are undertaken in Chile where all of the group's non-current assets are held.

6. INCOME TAX

The accrued income tax expense continues to be £nil as the Group remains in a loss making position. No deferred tax asset is recognised on these losses due to the uncertainty over the timing of future profits and gains.

7. LOSS PER SHARE

The calculation of basic loss per ordinary share is based on the loss after tax and on the weighted average number of ordinary shares in issue during the period.

Diluted loss per share assumes conversion of all potentially dilutive Ordinary Shares arising from the share schemes detailed in Note 10. Potential ordinary shares resulting from the exercise of warrants, and options have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

Basic and diluted loss per share	Unaudited Six months to 30-Jun-2023 £	Unaudited Six months to 30-Jun-2022 £	Audited Year ended 31-Dec-22 £
Loss after taxation	(3,273,006)	(1,185,438)	(3,800,537)
Basic weighted average number of ordinary shares (millions)	105.66	71.26	78.56
Basic loss per share (GBP £)	(0.0310)	(0.0166)	(0.0484)

8. EXPLORATION AND EVALUATION ASSETS

Expenses incurred to date by the Chilean entities on feasibility studies, mineral exploration and delineation were capitalised as *"exploration and evaluation assets"* within *"non-current assets"* in accordance with the Group's accounting policy.

Exploration and evaluation assets	Unaudited Six months ended 30-Jun-2023 £	Audited Year ended 31-Dec-22 £
Opening balance	5,317,412	765,115
Additions	5,703,282	4,552,297
Closing balance	11,020,694	5,317,412

Of the additions, approximately £0.2 million reflects non-cash additions which reflect share-based payments made to staff and contractors, about which further detail is set out in Note 10.

Impairment assessments

The Directors assess for impairment when facts and circumstances suggest that the carrying amount of an exploration & evaluation asset (E&E) may exceed its recoverable amount. In making this assessment, the Directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20. In performing their assessment of each of these factors, at 30 June 2023, the Directors have:

- reviewed the time period that the Group has the right to explore the area and noted no instances of expiration, or licences that are expected to expire in the near future and not be renewed;
- determined that further E&E expenditure is either budgeted or planned for all licences;
- not decided to discontinue exploration activity due to there being a lack of quantifiable mineral resource; and
- not identified any instances where sufficient data exists to indicate that there are licences where the E&E spend is unlikely to be recovered from successful development or sale.

Based on the above assessment, the Directors are not aware of any facts or circumstances that would suggest the carrying amount of the E&E asset may exceed its recoverable amount.

9. TRADE AND OTHER RECEIVABLES

Trade and other receivables	Unaudited As at 30-Jun-2023 £	Audited As at 31-Dec-22 £
Prepayments and deposits	158,223	194,712
VAT	10,920	4,988
Other receivables	55,937	78,639
Total	225,080	278,339

Prepayments and deposits largely reflect prepaid insurance and other commercial subscriptions which renew variously and annually as well as office rental deposit amounts paid.

Although VAT shows a balance of approximately £11k at 30 June 2023, at that date approximately £1.3 million in Chilean VAT recoverable is not shown in the table above. Although the Chilean VAT is expected to be eligible for refund in future, due to the uncertainty over the timing of future production and revenues, which would trigger the Group's eligibility to recover that VAT, the Directors have made full provision against this same amount. Accordingly, approximately £0.6 million provision has been reflected in the income statement for the period ended 30 June 2023.

Other receivables comprise multiple smaller working capital balances in Chile.

10. SHARE BASED PAYMENTS

During the six months ended 30 June 2023, share options have been granted to certain Directors, staff and suppliers. Various vesting conditions apply.

In addition, during the period, 1,100,000 share options were exercised by a former employee at an exercise price of 36p per share, giving rise to a £396,000 cash inflow to the Company. No other warrants or options were exercised, forfeited or allowed to lapse during the six months to 30 June 2023.

	Unaudited Six months ended 30-Jun-23 #	Audited Year ended 31-Dec-22 #
Outstanding at start of period	10,984,745	-
Share options granted	3,162,000	6,670,000

Warrant shares granted	-	4,314,745
Share options exercised	(1,100,000)	-
-Outstanding at end of period	13,046,745	10,984,745

All options and warrants are granted in Company's name. Share options granted have a weighted average exercise price of 47 pence and warrant shares granted have a weighted average exercise price of 34 pence.

The fair value of each option granted in the period was estimated on the grant date using the Black Scholes option pricing model. The following assumptions have been used:

	Share Options
Fair value of call option per share	£0.12 - 0.38
Share price at grant dates	£0.39 - 0.55
Exercise price	£0.01 - 0.57
Expected volatility	98%
Vesting period	4.7-5.0 years from vesting
Risk-free interest rate (based on government bonds)	4.16%

The total share option fair value charge in the first half 2023 is £778,935 (full-year 2022: £588,713), of which approximately £580k has been recorded in the income statement as a non-cash employee expense; the balance has been recorded within E&E. The total warrant shares fair value charge during the six months to 30 June 2023 was £26,548 (2022: £989,114). As noted, these fair value estimates derived thorough Black-Scholes modelling and Monte Carlo simulations are non-cash accounting entries.

11. CONTINGENT LIABILITIES

Laguna Verde Option Agreement

Currently, the Group has an indirect interest in the Laguna Verde concessions pursuant to the Laguna Verde Option Agreement which was entered into on 23 April 2021.

Pursuant to the Option Agreement, the Vendors have granted Atacama Salt Lake SpA (Atacama) the option to purchase the concessions at any time prior to the expiry of the agreement, being 20 April 2026.

In consideration for the grant of the Option, Atacama is required to make payments to the vendors comprising: (i) a fixed price of US$334,000 (of which US$204,000 has been paid as at 30 June 2023, with the balance payable in annual instalments); and (ii) a variable price, as calculated in reference to the valuation of lithium carbonate and other commercially extractable products from the concessions. The variable price is payable with a mix of cash and shares as follows: 20% payable in cash and 80% payable through the issue of shares in CleanTech Lithium Plc. The minimum variable price payable under the Option Agreement is US $3.5 million. Atacama may discard the option to purchase the relevant Laguna Verde properties and in the event of such a decision no further payments would be due.

12. PAYABLES, PROVISIONS AND ACCRUALS

	Unaudited As at 30-Jun-2023	Audited Year ended 31-Dec-22
	£	£
Trade and other payable	(410,930)	(321,476)
Provisions	(87,091)	(86,007)
Other taxes and social security	(68,163)	(118,862)

Accruals	(77,012)	(107,401)
Total	(643,196)	(633,746)

Trade and other payables include routine trade creditors.

Other taxes and social security balances largely relate people-related costs and taxes balances at the period end.

Accruals include routine accruals for professional services rendered not invoiced at period end.

13. SUBSEQUENT EVENTS

Matters relating to events occurring since Period end are reported in the section entitled Chairman and Chief Executive Officer's Statement.

****ENDS****

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Notes

About CleanTech Lithium

CleanTech Lithium (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF) is an exploration and development company advancing sustainable lithium projects in Chile for the clean energy transition. Committed to net-zero, CleanTech Lithium's mission is to produce material quantities of battery grade using sustainable Direct Lithium Extraction technology, powered by renewable energy, the Company plan to be the leading supplier of 'green' lithium to the EV and battery manufacturing market.

CleanTech Lithium has four lithium projects - Laguna Verde, Francisco Basin, Llamara and Salar de Atacama - located in the lithium triangle, the world's centre for battery grade lithium production. The The two major projects: Laguna Verde and Francisco Basin are situated within basins controlled by the Company, which affords significant potential development and operational advantages. All four projects have direct access to existing 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 no water depletion from the aquifer. www.ctlithium.com

Glossary

CLS Pty	Chilean Lithium Salars Pty Limited (Australian overhead company now wound-up and deregistered)
CLSH	Chilean Lithium Salars Holdings Limited (Australian holding company now wound-up and deregistered)
CTL Ltd	CleanTech Lithium Ltd; U.K. registered and tax domiciled company
CTL Plc	CleanTech Lithium Plc; Jersey registered and tax domiciled company
DLE	Direct lithium extraction
EIA	Environmental Impact Assessment

ESG	Environmental, Social and Governance
Group	CleanTech Lithium statutory group
IPO	Initial public offering
JORC	The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in public reports
LCE	Lithium carbonate equivalent, industry standard terminology used to compare different forms of lithium compounds
LSE	London Stock Exchange
MoU	Memorandum of Understanding
mg/L	micrograms per litre
Pro forma Group	Non-statutory pro forma group as defined in the notes to the financial statement

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