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CleanTech Lithium PLC
21 May 2024

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CleanTech Lithium PLC

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

Final Results 2023

CleanTech Lithium PLC (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF), an exploration and development company advancing lithium projects in Chile, is pleased to announce its audited Final Results for the twelve months to 31 December 2023.

Highlights

Operational

- **Two Scoping Studies completed:** Laguna Verde and Francisco Basin Scoping Studies show robust economics, with post-tax NPV_8 ~US$3bn and IRR >43% supporting 20,000tpa LCE production for +30-year and +12-year operations respectively.
- **JORC resource increase:** Completed additional 7 well drilling programme **-** Laguna Verde, 1.8 million tonnes of LCE (Measured & Indicated Resource increased by 39% to 1.1 million tonnes LCE) and Francisco Basin 0.92 million tonnes of LCE of which 0.44 million tonnes was upgraded to Indicated.
- **DLE pilot plant:** Plant working ahead of expectations, with first high quality lithium eluate produced post-period end, after build and commissioning undertaken in 2023 and early 2024.
- **CEOL submission:** Applications for operating permits for Laguna Verde and Francisco Basin submitted in Sept 2023 and now being updated in line with the new administrative procedure announced by the Government post-period end in April 2024.
- **Ongoing drilling programme at Laguna Verde:** Five well drilling programme commenced post-period end, results of which will feed into further resource update and Pre-Feasibility Study (PFS).
- **Laguna Verde PFS and EIA:** Underway and targeted for completion Q3 2024 and end of 2024 respectively.
- **Exploration assets:** Low-cost work programme undertaken at Llamara project to test surface and subsurface samples.
- **Expanded footprint in Chile:** Obtained additional Salar de Atacama licence areas.
- **First Co-Developed Mining Model:** For lithium extraction signed with Ercilia Arava Altamirano, Ancestral Authority of the Colla Pai-Ote community, and representatives from the Río Jorquera and Pastos Grandes communities.
- **Local Operations & Community office:** Opened in Copiapó in Q3 2023, with local staff employed to manage upkeep and activities with local stakeholders.
- **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 2023 or 2024 to date.
- **Management & Staff:** 22 full time employees, with up to an additional 5 specialist consultants employed by the Company by the end of 2023.

Corporate

- **Funding:** Raised £8 million in the calendar year 2023.
- **Board changes:** Maha Daoudi and Tommy McKeith appointed as independent non-executive directors; Jonathan Morley-Kirk became Senior Independent Director and Steve Kesler assumed the role of Executive Chairman and post period end as Interim CEO following the resignation of Aldo Boitano.
- **OTCQX:** Commenced trading in the U.S. making it easier for North American investors.
- **ESG Committee:** Established in mid 2023 and reporting to the Board to ensure the Company is

being held accountable across all ESG factors. The Committee meets regularly and is producing an ESG Review.
- **Signatory of UN Global Compact:** In August 2023, supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.
- **Awarded:** Green Achievement Grand Prix Award at Huawei's - 'Green & Smart Mining: the Future is Here!' Green Achievement Awards 2023, Chile.
- **Cash Position:** £6.2 million at year-end 2023.

Steve Kesler, Chairman and Interim Chief Executive Officer, CleanTech Lithium PLC, said:

"2023 saw CTL make meaningful progress towards reaching commercial lithium production. During the year CTL significantly advanced project delivery, achieving several milestones which include the publication of positive scoping studies on the Company's two core-development assets, Laguna Verde (LV) and Francisco Basin (FB), and the completion of drilling programmes on both assets, totalling 7 new wells. JORC compliant resources were upgraded at both projects.

"A DLE pilot plant was constructed in Copiapó and CTL is now among a small number of companies set to produce meaningful quantities of battery grade lithium product at demonstration scale using DLE. The pilot plant is working well and above expectations, representing a very significant milestone for the Company and reflecting the progress we have made in the relatively short time since listing on AIM just over two years ago.

"In the year ahead CTL will send battery grade lithium samples to potential strategic partners and off-takers to start product qualification, as part of the development of the construction finance to bring Laguna Verde into operation. The current drilling programme at LV will feed into a further resource assessment and a maiden reserve estimation this year, supporting the pre-feasibility study (PFS), which is underway and targeted for completion in Q3 2024. This paves the way for the next phase of development, as the Company advances towards the ambition to deliver a premium ´green´ lithium product into a market that's increasingly keen to demonstrate a sustainable supply chain of battery materials".

A full version of the annual report and accounts will shortly be available on the Company's website, accessible via the link and with extracts set out below: https://ctlithium.com/investors/latest-presentation-report/

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The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, this inside information is now considered to be in the public domain. The person who arranged for the release of this announcement on behalf of the Company was Gordon Stein, Director and CFO.

Beaumont Cornish Limited ("Beaumont Cornish") is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

Notes

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 sustainable battery grade lithium products using Direct Lithium Extraction technology powered by renewable energy. The Company plans to be a leading supplier of 'green' lithium to the EV and battery manufacturing market.

CleanTech Lithium has two key lithium projects, Laguna Verde and Francisco Basin, and holds licences in Llamara and Salar de Atacama, located in the lithium triangle, a leading centre for battery grade lithium production. 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 with reinjection of spent brine. Direct Lithium Extraction is a transformative technology which removes lithium from brine, with higher recoveries than conventional processes. The method offers short development lead times with no extensive site construction or evaporation pond development so there is minimal water depletion from the aquifer. www.ctlithium.com

Chairman and Interim CEO Statement

2023 saw CTL make meaningful progress towards reaching commercial lithium production. It is recognised that some deliverables have taken longer than anticipated but this is often the case with projects applying technologies which require new learnings. During the year CTL significantly advanced project delivery, achieving several milestones which include the publication of positive scoping studies on the Company's two core-development assets, Laguna Verde (LV) and Francisco Basin (FB), and the completion of drilling programmes on both assets, totalling 7 new wells. JORC compliant resources were upgraded at both projects.

A DLE pilot plant was constructed in Copiapó and CTL is now among a small number of companies set to produce meaningful quantities of battery grade lithium product at demonstration scale using DLE. The pilot plant is working well and above expectations, having been used to produce an initial $24m^3$ of concentrated eluate, for conversion into battery grade lithium carbonate, post commissioning in Q2 2024. The composition of the concentrated eluate shows a lithium adsorption recovery rate of 94% and rejection rates over 99% for key contaminants calcium, magnesium, potassium, sodium and sulphate. The results reported post period end in May 2024 demonstrates that the plant can operate at the designed capacity of concentrated eluate production sufficient for conversion to at least 1 tonne per month of battery grade lithium carbonate. The DLE pilot plant results represent a very significant milestone for the Company and reflects the progress CTL has made in the relatively short time since listing on AIM just over two years ago.

In the year ahead CTL will send battery grade lithium samples to potential strategic partners and off-takers to start product qualification, as part of the development of the construction finance to bring Laguna Verde into operation. The current drilling programme at LV will feed into a further resource assessment and a maiden reserve estimation this year, supporting the pre-feasibility study (PFS), which is underway and targeted for completion in Q3 2024. This paves the way for the next phase of development, as the Company advances towards the ambition to deliver a premium ´green´ lithium product into a market that's increasingly keen to demonstrate a sustainable supply chain of battery materials.

Operations

Projects:

Laguna Verde ('LV')

A Scoping Study was completed and the results announced in January 2023. Although such a study is low level and does not provide certainty that the conclusions will be reached, it projected robust economics and ESG credentials. The study assumed that the resource could support a production rate of 20,000tpa lithium carbonate. Estimated operating costs at under US$4,000/t were in the lower quartile of lithium producers, with estimated capital cost around US$400 million. Using a long-term price of US$22,500/t lithium carbonate, the study estimated a post-tax NPV of US$1.8 billion and post-tax IRR of 45%. The results of this Scoping Study were positive enough to demonstrate that progress to a PFS can be reasonably justified. The PFS is underway and the Company aims to complete it in Q3 2024.

By the end of the first quarter 2023, the Company had drilled two additional wells on Laguna Verde, bringing the total number of wells drilled to six. Wells completed in 2023 included LV04 (drilled in 2022), LV05 and LV06, with depths of 320m, 434m and 405m respectively, one aim of which was to support an upgrade to the Measured and Indicated JORC compliant resource for use in the PFS. LV04 showed only low lithium values, which demonstrated it to be outside the area of lithium brine of interest and was discarded from the resource estimation.

Large samples were also taken from LV05 and LV06 to provide brine feed for the DLE process trials. Pump tests were completed on these wells in May 2023 with calculated transmissivity supporting the use of well flow rates of 30l/s used in the LV Scoping Study.

The completed drilling programme resulted in the declaration of a JORC compliant resource upgrade in July 2023 of 1.8 million tonnes LCE at a grade of 200mg/l Li, of which the Measured & Indicated category was 1.1 million

tonnes, representing a 39% increase over the prior estimate, at a grade of 196 mg/l Li. This resource was considered sufficient to reasonably support evaluation in the Scoping Study of a production scenario of 20,000 tpa lithium carbonate for 30 years.

Post period end, a further five well drill programme commenced, with two rigs in simultaneous operation. This programme is largely aimed at converting Inferred resource to additional Measured & Indicated resource which will then have technical and economic modifying factors applied from the PFS to determine a maiden reserve. The programme will also include additional pump testing and reinjection testing with results helping to calibrate the hydrogeological model of the basin. This model will help further define the brine extraction and reinjection wellfield design and the sustainable production rate from LV. Leading consultants, Montgomery & Associates have been engaged to manage the drill programme, JORC resource and reserves reporting and design of the extraction and reinjection wellfields.

In April 2024, CTL also completed the planned acquisition of 23 licences at Laguna Verde which were previously subject to an option agreement and are located at the heart of the project area. With CTL now owning 100% of all the 108 licences covering the Laguna Verde Project this will both support CTL's CEOL applications and further clear the path for the planned ASX listing. The terms of the acquisition in the Directors' opinion were more favourable to CTL shareholders than the previous option agreement. Payment amounts are now known with the greater part due only when the Company is revenue generating in production. The previous option agreement depended on an estimate of ´commercially extractable lithium products´ with full payment due at the start of construction and as it was an open-ended arrangement it did not conform to current ASX listing requirements.

Francisco Basin ('FB')

Five additional wells were drilled on FB early 2023 - FB02, FB03/03A, FB04, FB05 and FB06 - with depths ranging from 320m to 462m, bringing the total number of wells drilled to six. The results from these wells fed into an upgraded resource estimate, announced in August, and supported the subsequent Scoping Study, announced in September 2023.

The JORC resource upgrade attributed 0.92 million tonnes of LCE at a grade of 207 mg/l Li as Indicated and Inferred, representing a 74% increase over the prior estimate. In the Indicated category, the report attributed an upgrade to 0.44 million tonnes at a grade of 221mg/l Li. The Scoping Study considered that the resource estimate could support production of 20,000 tpa of lithium carbonate for 12 years. Further drilling is planned to increase the resource and the projected life of the Francisco Basin project.

A sampling programme was undertaken on FB01 with 1000 litres for DLE process trials using the Company's lab-based unit in Copiapó. A pump test was also completed on FB01, with the results announced in May 2023, recording a high level of transmissivity, supporting a well pumping rate of 30l/s used in the FB Scoping Study.

The Scoping Study, albeit low level and does not provide certainty that the conclusions will be reached, projected robust economics for FB. The study assumed that the resource could support a production rate of 20,000tpa lithium carbonate. Estimated operating costs were lower quartile and less than US$4,000/t lithium carbonate and capital costs were estimated at about US$450 million. Using a long-term price of US$22,500/t lithium carbonate the study estimated a post-tax NPV of US$1.1 billion and a post-tax IRR of 43%.

It was decided to suspend further work at FB at the present time and utilise available funds to advance the LV project as rapidly as possible. Design parameters for LV in terms of extraction and reinjection well design, DLE and conversion process design as well as other infrastructure will be directly applicable to FB. It will be more efficient to optimise these for LV and then replicate them at FB.

Greenfield Exploration Assets

During the year CTL invested in its long-term future through the low-cost work programme on the Llamara exploration licences and by obtaining additional licences on the periphery of Salar de Atacama. These assets offer material opportunities and provide potential upside for the Company while requiring relatively small amounts of near-term capital.

Llamara is a large exploration area for which the Company acquired the exploration licences at low cost as an option offering good prospectivity to complement CTL's two core-development assets.

The work programme on Llamara in 2023 aimed to test surface and subsurface samples. Drilling commenced as planned but had to be suspended for safety reasons due to encountering a gas pocket. A second well then commenced and was successfully drilled but subsurface sampling from the well indicated depleted levels of lithium. The results of surface sampling also showed relatively low lithium values. Further work at Llamara and Salar de Atacama have been suspended whilst available funds are concentrated on advancing Laguna Verde.

DLE Pilot Plant

A lab scale DLE plant was installed in our Copiapó facilities in Q4 2022 and used during 2023 for testing of various adsorbents on the LV brine. CTL then proceeded with commissioning of a pilot plant scale DLE plant. The plant was ordered from Sunresin's facility in Europe earlier in the year and installation started in Q3 2023. Construction was completed in November and the DLE pilot plant fully commissioned in Q1 2024 with technical experts on site from Puritech, a subsidiary of Sunresin. The Company announced, in March 2024, that the pilot plant is producing lithium chloride eluate from LV brine with the eluate to be further processed downstream to produce battery-grade lithium carbonate.

After testing of various adsorbents to determine which performed best on the LV brine it was decided to purchase adsorbent from Lanshen, another large Chinese producer of adsorbents and resins, to load the pilot plant columns.

The pilot plant is designed to produce up to 1 tonne/month of LCE and has demonstrated it can deliver more than this in initial operations. The pilot plant is now processing brine into purified lithium chloride eluate and showing encouraging results with high lithium recovery rates while rejecting impurities. Post period end, in Q2 2024, the concentrated eluate has been further concentrated by reverse osmosis at CTL's pilot plant and the first batch of 24m3 shipped to Conductive Energy in Chicago for conversion to battery grade lithium carbonate. The Company will initially scale production in batches for the start of product qualification testing by potential off-takers and strategic partners and ramp up production as required by the qualification process. The pilot plant will also provide design data for the Laguna Verde PFS. This represents a significant milestone for CTL as it materially de-risks the scale up of commercial DLE based production, for the Company, its investors and potential offtake partners ahead of moving towards commercial production.

Special Lithium Operation Contracts (CEOLs)

Applications for Special Lithium Operation Contracts, or CEOLs, for LV and FB were submitted in September 2023 in compliance with Chilean law and as encouraged by the relevant authorities after regular dialogue. Upon award, CEOLs provide the authority for the CEOL holder to exploit, produce and sell lithium on behalf of the State which is paid an agreed royalty based on net profits arising from the project.

In April 2023 the Government issued its National Lithium Strategy whereby it signalled its intent to become an active participant in lithium production in Chile and not just a passive receiver of royalties. There was initial uncertainty as to how this would unfold but the Government provided more clarity in April 2024 by confirming its intent to become majority shareholder in the strategic assets of Salar de Atacama and Maricunga through a newly created lithium subsidiary of Codelco. It was also confirmed, that the State mining companies Codelco and Enami, who have interests in six other salars, would seek participation from the private sector under JV arrangements that made the best sense for each project. Additionally, another 26 salars considered non-strategic, including Laguna Verde and Francisco Basin, were confirmed to be opened for development by the private sector.

An administrative procedure was later published whereby "Expressions of Interest" are to be submitted by mid-June 2024 with the Government expected to announce the results in early July and to confirm which projects are to be prioritised for the award of CEOLs. Afterwards, CTL was advised to update its submissions for CEOLs within the new administrative procedure. The Company is updating the CEOL applications with recent information ready to submit. The resubmission process is expected to have no impact on the expected project timeline.

The Government has also announced that it wants to see 3 or 4 new lithium projects operational by 2026. CTL's two advanced projects are well ahead of any other lithium projects of similar scale in Chile and can therefore be expected to be prioritised by the Government.

To support the CEOL applications, the Company has continued to place CTL in the very best possible position through a process of regional engagement and support for the local economy. The Company has a policy of employing local people where possible and ensuring the economic benefit of developing its assets is felt across the region and that any concerns and impact are sensitively managed. The Company announced a ground-breaking agreement in December 2023, for the first co-created mining model for lithium extraction in the region, working together with Ercilia Araya Altamirano, Ancestral Authority of the Colla Pai-Ote community, and representatives from the Río Jorquera and Pastos Grandes communities. The communities have agreed to collaborate with CTL on drafting relevant sections of the EIA for Laguna Verde, which is the first time this approach has been adopted in Chile for lithium extraction. This is a positive factor that CTL is hopeful will accelerate the approval process of the EIA as demonstrating local community support, which is of critical importance to the authorities.

Furthermore, the Company's focus on DLE, as the mechanism to produce LCE, is in keeping with the National Lithium Strategy to ensure sustainable lithium production as announced by President Boric in April 2023. Having been an early adopter of the technology, CTL is well placed to deliver on successful DLE based brine projects in Chile.

The granting of the CEOLs in 2024 will be an important stepping stone to production and the delivery of a strategic partner to support commercialisation of the Company's projects. CTL will continue to work with the relevant authorities within the scope of the National Lithium Strategy, which the Company sees as a welcome model for public-private partnership, as helping de-risk the delivery of lithium projects in Chile.

Corporate Activity

CTL has continually sought to carefully allocate capital to meet its needs and achieve the goal of delivering commercial production and cashflows as early as possible. CTL has, therefore, sought to raise funds from investors only when needed to advance project development and so minimising dilution to investors. The strategy has been to fund exploration and early project development through equity and then, following completion of the PFS and commissioning of the pilot plant, bring in a strategic investor. The planned listing on the ASX in Australia is in keeping with this. In addition to CTL having key investors already in Australia, the ASX market also benefits from a strong understanding of the mining industry and lithium sector with deep pools of capital available for good projects and where many of the Company's lithium peers are listed.

ESG

In-line with the development of CTL's projects, the team in Chile expanded during the year and the Company opened an operational office in Copiapó. At the end of the year the team amounted to 22 full time employees, with up to an additional 5 specialist consultants employed by the Company over the course of 2023.

The wider team includes operational, technical, legal and administration staff. It also includes sustainability support which is key to CTL's right to operate and ability to deliver. The community relations team made an immediate and positive impact on the Company driving initiatives which help inform and keep local and national parties supportive of our objectives.

These efforts were supported by the creation of an ESG Board committee during the year, which has oversight of sustainability initiatives and reports to the wider Board. The Company winning the 'Green Achievement Grand Prix Award' at Huawei's 'Green & Smart Mining: the future is here' awards, which took place in Chile in December, is a good reflection of this work.

Key to making progress is effective decision making and accountability across the business. In this regard CTL has in place a strong Board with a good balance of executive and independent non-executive directors each of whom comes with valuable and differing experience which makes a material difference to the strategic direction and running of the business.

During the year, I was delighted to see the Board strengthen further with the appointment of Maha Daoudi and Tommy McKeith as independent non-executive directors. Maha has many years of experience in commodity marketing and trading with a deep knowledge of working in China. Tommy has considerable experience in exploration and project development and comes with extensive mining listed company experience in Australia. Both have already made invaluable contributions. During the year, Jonathan Morley-Kirk also stepped up to become the Senior Independent Director, following my change of role to an executive position.

Post-period end I have taken on the responsibilities of CEO, on an interim basis, following the resignation of Aldo Boitano. Despite the circumstances of his departure he, as co-founder, did a tremendous amount to develop a vision for the Company and create the opportunity for investors. For this we are all grateful.

I would like to take the opportunity to thank the Board, the wider team, shareholders, and suppliers for their continued support over the last year. The Company is on a journey and a long way down the path to delivering on its ambitions. This is entirely down to the experience, skill set, support and tireless effort put in by all those involved.

Outlook

CTL has an exciting year ahead of us leading up to discussions with strategic partners later in the year. A lot has been achieved and in a relatively short time and, as such, the Company is well placed to realise the value of its portfolio to the benefit of its investors and other stakeholders. That progress has accelerated further in 2024 with the commissioning of the pilot plant, the LV PFS progressing, the CEOL process in train and with the lithium market showing signs of recovery. We look forward to the remainder of 2024 with continued confidence.

Steve Kesler,

Executive Chairman and Interim CEO

20 May 2024

Financial Review

Key Drivers for 2023

In the context of managing CTL's funds in an efficient and effective manner, the focus during 2023 was primarily twofold: to maintain progress and momentum on the Group's two main assets, namely: LV and FB; and to carry out the work needed for an initial technical assessment of the Llamara licences.

The Board has made clear its commitment to bringing LV into production as a priority, with FB to follow as soon thereafter as feasible. In addition, the Board has set targets and programmes to meet those objectives which are both ambitious but also achievable. With sufficient funds the Board is confident the technical, feasibility, environmental, regulatory and other approvals can be combined to allow CTL to meet its objective of transitioning into a leading lithium production company.

Without doubt, CTL has been the most active lithium exploration and development player in Chile over the past two to three years:

- Undertaking geophysical and multiple technical studies in preparation for subsequent phases on each asset
- Drilling 14 wells in three challenging environments to deliver a combined total of 2.7 million tonnes LCE JORC Resource - including undertaking pump tests and other hydrogeological studies
- Completing two detailed scoping studies which demonstrate exciting and robust economics at industry-standard forward lithium prices; in turn enabling the preparation of a PFS for LV which CTL plans to complete in Q3 2024
- Procuring, shipping, constructing and then commissioning a 1 tonne per month DLE pilot plant - acquired from a Sunresin subsidiary in Belgium
- Commencing the work required to support the EIAs for LV and FB - involving extensive baseline studies
- Conducting metallurgical tests - both at lab-scale level and also on the ground at LV and FB, and

- Building a skilled and experienced management, operational and technical team in Chile to be able to deliver on the planned objectives, including the use of various consultants and specialist service companies.

All of this comes at a cost and requires the funds to maintain momentum towards meeting the Board's objectives. At the time of writing, CTL has spent more than £16 million in Chile on its work programmes over recent years.

Funding in 2023 and Strategy Beyond

CTL began 2023 with £12.4 million cash-in-hand after completing a £12.3 million fundraise (before expenses) in November 2022. That funding allowed CTL to undertake the extensive work programme, referred to above, throughout the year. Whilst the Company originally intended to dual list on the ASX during the second half of 2023, the rate at which several regulatory requirements with ASX could be addressed was slower than CTL would have liked, and so CTL had little choice but to defer any planned listing on the ASX until 2024. The requirement for CTL to have to make commercial changes to the LV Option Agreement, as announced on 22 April 2024, also held up the planned ASX listing.

To keep up momentum on the multiple capital programmes being run, CTL completed an over-subscribed placing on AIM in December 2023, raising £8.5 million (before expenses). This included £0.5 million raised through an open offer which allowed eligible shareholders to subscribe for placing shares on similar terms to those institutional investors which had participated. That funding allowed CTL to commit resources at the end of 2023 to allow it to begin an extensive programme in Q1 2024 (including a five-well drilling campaign at LV, a continuation of its EIA monitoring and review requirements, a more activated PFS process and the progression of CTL's DLE pilot plant through to commissioning and eluate production), all in the context of prioritising LV toward production. The Company ended 2023 with £6.2 million cash-in-hand.

The Company still plans to dual list on ASX in 2024; with the majority of the administrative and regulatory hurdles now addressed, the listing process is considered to be in a reasonably advanced stage at the time of writing. The Company will need to undertake an equity raise as part of that process, in large part to meet an ASX requirement to have a certain number of new Australian based shareholders. The amount of any fundraising on ASX is not yet decided and will invariably be considered in the context of other funding options.

The Board, which has extensive experience in funding major projects, looks forward to discussions with potential strategic partners and parties seeking offtake later in 2024, knowing the Company will be negotiating from a position of strength at that time and with a product such parties will want to secure.

Overview of 2023 expenditure

Capex: Exploration & Evaluation assets

A total cash capex of £8.9 million was incurred in 2023 (2022: £4.4 million), made up as follows:

Capital expenditure	Comment	2023 £ million	2022 £ million
Drilling	In 2023, 7 wells completed on LV & FB. 1 on LL	6.19	3.43
Hydrogeology	Pump tests	0.57	0.07
DLE Pilot Plant	Initial acquisition and resin costs	0.57	0.12
EIA	Baseline & other studies	0.38	0.30
Communities	Contributions and office refurb.	0.19	-
Scoping & Feasibility	LV and FB Scoping Studies, LV PFS	0.29	0.09
Licences	All assets	0.56	0.30
Other	-	0.10	0.09
Cash cost		**8.85**	**4.40**

Income statement

Administrative costs totalled £5.9 million in 2023 (£3.8 million: 2022), with £4.2 million being cash costs.

Key costs in 2023 included:

Administrative costs		2023 £ million	2022 £ million
People	Jersey, London & Chile	1.21	0.57
Listing & Compliance	AIM and corporate governance	0.34	0.17
Travel	Conferences, marketing, travel in Chile	0.88	1.33
PR/IR	Includes consulting costs & conferences	0.58	0.12
Legal, finance, tax & audit	Including accounting services	0.68	0.33
Other G&A	Other overhead costs across the group	0.51	0.09
Cash costs		4.20	2.61
VAT provision	Note 12	1.24	0.6
Fair-value of share options	Note 14	0.45	0.59
Non-cash costs		1.69	1.19
Total		5.89	3.8

In addition, other comprehensive income includes foreign exchange charges of approximately £ 1.0 million, which have arisen due to translational and transactional changes in GBP relative to USD and CLP currency movements.

Statement of financial position

The Group maintains a healthy statement of financial position at 31 December 2023, with net current assets of £6.1 million (2022: £12.1 million) reflecting current assets of £6.8 million (2022: £12.6 million) and £0.7 million (2022: £0.6 million) of current liabilities.

Financial Control

The Group maintains control over its day-to-day finances through a strong finance team based in the UK and Chile, supported by outsourced back-office accounting and tax compliance processes. A Group Financial Controller, Dermot Boylan, based in the UK, works alongside our Chile-based Finance Manager, Geraldine Carmona, who manages the finances for our work programmes in Chile.

Post Balance Sheet Events

On 12 April 2024 the Company announced the resignation of Aldo Boitano after he made the Company aware that he had entered into a personal loan under which he agreed to provide security over his shareholding. The granting of security and subsequent transfers of Ordinary Shares are considered notifiable events which should have been notified by Mr Boitano to the Company at the relevant time.

On 22 April 2024 the Company announced it had completed the planned acquisition of the 23 Laguna Verde licences previously subject to an option agreement resulting in the Company now having full ownership, as well as control, of the full 108 mining licences comprising the Laguna Verde project.

On 22 April 2024, the Company also announced it issued convertible loan notes to raise gross proceeds of £1 million for the Company on what the Directors believe are advantageous terms. Further details of the convertible loan notes are set out in the announcement.

On 8 May 2024 the Company announced as far as it can determine, Mr Boitano has ceased to have any beneficial ownership of shares in the Company.

Gordon Stein

Chief Financial Officer

20 May 2024

Financial Results

Consolidated Statement of Comprehensive Income

	Notes	Audited Year ended 31-Dec-2023 £	Audited Year ended 31-Dec-2022 £
Income		-	-
Administrative costs	5	(4,646,803)	(3,149,184)
Provision for Chilean VAT recoverable	5	(1,238,798)	(644,602)
Operating loss		(5,885,600)	(3,793,786)
Finance cost		-	(6,751)
Loss before tax		(5,885,600)	(3,800,537)
Income tax	7	-	-
Loss for the year after tax		(5,885,600)	(3,800,537)
Other comprehensive (loss) / income:			
Foreign exchange differences arising on translation of functional currencies		(1,021,070)	337,604
Total comprehensive loss for the year		(6,906,670)	(3,462,933)

Loss per share			
Basic and diluted (GBP £)	8	(0.054)	(0.048)

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

All amounts are derived from continuing operations

Consolidated Statement of Financial Position

	Notes	Audited as at 31-Dec-23 £	Audited as at 31-Dec-22 £
Exploration and evaluation assets	11	13,710,413	5,317,412
Non-current assets		13,710,413	5,317,412
Cash and cash equivalents		6,202,028	12,368,265
Trade and other receivables	12	610,898	278,339
Current assets		6,812,926	12,646,604
Trade and other payables	16	(351,637)	(440,338)
Provisions and accruals	16	(378,713)	(193,408)
Current liabilities		(730,350)	(633,746)
Net assets		19,792,989	17,330,270
Share capital	13	26,310,625	21,076,155
Capital reserve		(77,237)	(77,237)
Share based payment reserve		5,713,259	1,578,340
Foreign exchange reserve	17	(705,375)	315,695
Accumulated losses	17	(11,448,283)	(5,562,683)
Equity and reserves		19,792,989	17,330,270

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

These financial statements were approved and authorised for issue by the Board of directors on 20 May 2024 and were signed on its behalf by:

Gordon Stein

Chief Financial Officer

20 May 2024

Consolidated Statement of Changes in Equity

	Share Capital	Capital Reserve	Share based payments 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	-	-	-	-	(3,800,537)	(3,800,537)
Other comprehensive income	-	-	-	337,604	-	337,604
Total comprehensive loss	-	-	-	337,604	(3,800,537)	(3,462,933)
Share options and warrants	(989,115)	-	1,578,340	-	-	589,225
Share-for-share exchange	5,051,201	(5,051,201)	-	-	-	-
Shares issued in subsidiaries	-	(339, 331)	-	-	-	(339, 331)
Shares issued	17,014,069	-	-	-	-	17,014,069
31 December 2022	**21,076,155**	**(77,237)**	**1,578,340**	**315,695**	**(5,562,683)**	**17,330,270**
At 1 January 2023	21,076,155	(77,237)	1,578,340	315,695	(5,562,683)	17,330,270
Loss for the year	-	-	-	-	(5,885,600)	(5,885,600)
Other comprehensive loss	-	-	-	(1,021,070)	-	(1,021,070)
Total comprehensive loss	-	-	-	(1,021,070)	(5,885,600)	(6,906,670)
Share options and warrants	(3,074,767)	-	4,134,919	-		1,060,152
Shares issued	8,309,237	-	-	-		8,309,237
31 December 2023	**26,310,625**	**(77,237)**	**5,713,259**	**(705,375)**	**(11,448,283)**	**19,792,989**

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

Consolidated Statement of Consolidated Cash Flows

	Audited Year ended 31-Dec-2023	Audited Year ended 31-Dec-2022
	£	£
Loss after tax for the period	(5,885,600)	(3,800,537)
Non-cash items:		
Fair value recognition of share options and warrants	527,931	443,690

Movement in trade and other receivables		(313,355)	(226,877)
Movement in payables, provisions and accruals		262,447	115,412
Finance costs		-	6,751
Net cash used in operating activities		(5,408,577)	(3,461,561)
Expenditure on exploration and evaluation assets	11	(8,851,684)	(4,403,228)
Net cash used in investing activities		(8,851,684)	(4,403,228)
Net proceeds from issue of ordinary shares	13	8,192,346	17,014,069
Finance costs		-	(6,751)
Net cash generated from financing activities		8,192,346	17,007,318
Net cash flow		(6,067,915)	9,142,529
Cash and cash equivalents brought forward		12,368,265	3,230,997
Net cash flow		(6,067,915)	9,142,529
Effect of exchange rate changes		(98,322)	(5,261)
Cash and cash equivalents carried forward		6,202,028	12,368,265

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

Notes to the Financial Statements

1. GENERAL INFORMATION

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

The consolidated financial statements of CleanTech Lithium Plc for year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board on 20 May 2024.

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 year to 31 December 2023, there have been no changes to the structure of the CleanTech Lithium Group.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with U.K.-adopted international accounting standards (UK IAS). These financial statements are for the year 1 January 2023 to 31 December 2023 and the comparatives are for the year 1 January 2022 to 31 December 2022.

Throughout the reporting period, including the comparatives, the historical cost basis of preparation is used, except for certain financial assets measured at fair value.

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

As permitted by Companies (Jersey) Law 1991 only the consolidated financial statements are presented.

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 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.

As a part of its Going Concern assessment, consideration has been given to the Group's anticipated activities which have been included in the financial forecast. The Group has no capital commitments and so the Directors are of the opinion that the Group has adequate financial resources to allow it to continue for at least 12 months from the date of the approval of these financial statements. Additionally, the Directors have considered downside scenarios including the event where there is a delay to the expected generation of cash. In the event of financial distress, the Directors are confident that the implementation of austerity measures, the proven success in raising capital, the financing and strategic options available, will enable the Group to continue as a going concern. Therefore, the going concern basis is adopted in preparing the financial statements.

The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

3. MATERIAL ACCOUNTING POLICIES

The preparation of the Group's financial statements is done in compliance with U.K. adopted International Accounting Standards and the following summarises the Group's material accounting policies.

Standards and interpretations issued but not yet applied
At the date of the Group's financial statements, the Directors have reviewed the standards in issue by the UK Endorsement Board and the International Financial Reporting Interpretations Committee by the International Accounting Standards Board, which are effective for periods beginning on or after the stated effective date but have not yet been applied. In their view, these standards would not have a material impact on the financial reporting of the Group.

Foreign currency
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in pound sterling, which is the Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies
The results and financial position of the Chilean entities are recorded in CLP $ and, where relevant of the Australian entities from AUD $, are translated into Pounds Sterling (GBP £), the presentation currency, as follows:

- assets and liabilities on the Statement of Financial Position are translated at the closing rate at each reporting date;
- income and expenses in the Statement of Comprehensive Income are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- all resulting exchange differences are recognised in "other comprehensive income".

On consolidation, exchange differences arising from the translation of the net investment in the Chilean entities are recognised in "other comprehensive income". When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of gain or loss on sales.

Income taxes
Income tax expense consists of current and deferred tax expense. Income tax expense is recognised in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or enacted substantively at the period end, and adjusted for amendments to tax payable with regards to previous years. The tax rates that apply in each foreign jurisdiction are disclosed in Note 7

Deferred tax assets and liabilities are recognised for future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities on the Statement of Financial Position and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or enacted substantively tax rates expected to apply when the asset is realised, or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period that substantive enactment occurs.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination;
- the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- the initial recognition of an asset or liability in a transaction which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Exploration and evaluation assets
Exploration and evaluation assets are capitalised as intangible assets on an individual prospect basis until such time as an economic volume is defined or the prospect is abandoned. No costs are capitalised until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through development and exploitation, the capitalised expenditure is first tested for impairment, then transferred to tangible assets and depreciated over the expected productive life of the asset.

Costs for a producing prospect are amortised on a unit-of-production method, based on the estimated life of the reserves, while costs for the prospects abandoned are written-off.

Impairment reviews for deferred exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one or more of the following circumstances apply:

- unexpected geological occurrences are identified that render the resource uneconomic;
- title to the asset is compromised;
- fluctuations in commodity prices render the project uneconomic; or
- lack of available financing to progress the project.

Where the Group enters into exploration option agreements with third parties, the Group may acquire or dispose of mineral rights and certain benefits attached to those mineral rights. Since these options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets when payments are made, or as recoveries when payments are received, either against exploration and evaluation assets or as income within the income statement depending on the nature of the option agreement.

The recoverability of the amounts capitalised for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Group's interest in the underlying mineral claims, the ability to develop its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production.

Capitalising of people costs
The relevant portion of employee and contractor costs (including the share-based payment charge) incurred for service and activity deemed to relate to the evaluation, technical feasibility and commercial viability of extracting a mineral resource are capitalised.

Environmental rehabilitation
An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbances are caused by the exploration or development of exploration and evaluation assets due to statutory, contractual, constructive, or legal obligations.

At the reporting date, the Group has no environmental rehabilitation obligations in Laguna Negro Francisco SpA, Laguna Escondida SpA, Laguna Brava SPA, Atacama Tierras Blancas SpA, or Atacama Salt Lakes SpA; as such, no provision has been recognised in the Group's financial statements.

The Directors review annually for changes in regulatory requirements with respect to environmental rehabilitation obligations.

Impairment
At the end of each reporting period, the carrying amounts of the Group's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the income statement.

For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments
Where applicable, the Directors classify the Group's financial assets in the following categories:

- financial assets at "fair value through income statement"; or
- loans and receivables

The classification depends on the purpose for which the financial assets were acquired. The classification of the Group's financial assets is determined at initial recognition and depends on the nature and purpose of the financial instrument.

Financial assets carried at fair value through income statement are recognised and recorded initially at fair value and transaction costs are expensed in the income statement.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its obligations as they become due. The Group's ability to continue as a going concern is dependent on the Directors' ability to raise the funds required. The Group has no regular cash inflow from its operating activities.

The Directors manage the Group's liquidity risk by:

- maintaining adequate cash reserves through the use of the Group's cash received from equity placings a;
- continuously monitoring actual cash flows to ensure the Group maintains an appropriate amount of liquidity; and
- forecasting cash flow requirements for the Group's planned exploration and development work programmes and its associated corporate activities. Based on this analysis, the Directors secure sufficient additional investment to ensure an appropriate level of liquidity is maintained.

Failure to realise additional funding, as required, could result in the delay or indefinite postponement of further exploration of the Group's mineral properties and could result in the Group being unable to meet the continued listing requirements following admission to the London Stock Exchange.

All the Group's liabilities are on demand or fall due in less than one year.

Foreign currency risk
The Group has its only significant exposure to foreign currency risk through expenditures incurred on the Chilean entities' exploration and evaluation assets in Chile, denominated in Chilean Pesos. Cash balances held within the Group entities are denominated in their respective functional currencies although US dollar accounts are also held for ad hoc expenditure denominated occasionally in US dollars; the financial instruments denominated in US dollars held by the Group are minimal at each reporting year.

A 10% movement in the GBP £ / CLP $ exchange rates would increase/(decrease) net assets of the Group by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

At 31 December 2023	
Effect on net assets of the Group:	£
Strengthened by 10%	15,369
Weakened by 10%	(15,369)

At 31 December 2022	£
Effect on net assets of the Group:	
Strengthened by 10%	478,845
Weakened by 10%	(478,485)

Commodity price risk

Fluctuations on prevailing commodity market prices present a possible risk for the Group. Such commodity prices could impact the cost of power for production processes and the market price for battery-grade lithium carbonate. The pre-production status of the Group means exposure to these risks has minimal financial impact on the Group. The Group does not use commodity forward contracts and futures to hedge against price risk in commodities as they are not yet appropriate for the Group.

Loans and receivables
Other receivables and borrowings that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". "Loans and receivables" are recognised initially at the transaction value and carried subsequently at amortised cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end.

The Directors have classified the Group's other receivables and borrowings as "loans and receivables".

Share based payments
The fair value of share options or warrants granted is charged to the income statement or capitalised in the statement of financial position, with a corresponding increase in a share-based payment reserve. The fair value of share options is measured at grant date, using the Black-Scholes pricing model, and spread over the period up to the point the vesting condition is met. Upon exercise, the share-based payment reserve is released to the accumulated profit or loss. The warrant instruments granted to any counterparty are measured and recognised in the same way as share options at the date of issue.

Other financial liabilities
"Other financial liabilities" are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Directors have classified the Group's other payables as "other financial liabilities".

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements confirming with adopted IFRSs requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities as at the reporting date and the reported amount expenses during the period. Actual outcomes may differ from those estimates. The key sources of uncertainty in estimates that have a risk of causing material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are the impairment of assets and the Group's going concern assessment, as described in note 2. In addition, judgement is required to be exercised in determining a functional currency, including assessing the underlying transactions, events and conditions which are relevant to an entity.

Impairment
The Directors apply significant judgment in assessing each of the Group's cash-generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. The indicators of impairments and their assessment are set out in Note 11.

VAT receivables
Included within trade and other receivables is an amount approximately £1.8 million in Chilean VAT recoverable. 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, as disclosed in note 12.

5. ADMINISTRATION EXPENSES

Administration expenses in the year to 31 December 2023 totalled £5.9 million, of which approximately £1.8 million reflects non-cash items. More specifically, approximately £1.2 million reflects a provision made against VAT in Chile which CleanTech being able to recover once production starts (Note 12 provides further detail). In addition to the non-cash VAT provision, approximately £0.5 million has been recorded as a share-based payments for share options awarded to staff and contractors (further detail is set out in Note 14).

Of the £4.2million in cash costs, approximately £1.2 million relates to staff costs (2022: £1.1 million), £0.7 million relates to promotion, public and investor relations (2022: £0.3 million), approximately £0.6 million relates to travel (2022: £0.1 million), £0.8 million relates to legal and professional support (2022: £1.4 million), and approximately £0.5 million relates to listing and compliance and insurance costs(2022: £0.2 million), the balance of £0.4 million comprises a variety of other and general administrative costs (2022: £0.1 million).

6. STAFF AND DIRECTORS

	Audited Year ended	Audited Year ended

	31-Dec-23	31-Dec-22
Average number of employees and long-term contractors	22	9
Directors	6	4
Total	28	13

During 2023 the Group's the average number of employees increased as operational requirements expanded, but notably was essentially unchanged from where the Group's number of employees (a number which includes longer-term consultants) was at the end of 2022.

During 2023, the Board also expanded following the appointment of two Non-Executive Directors; details of those appointments are set out in further detail in both the Strategic Report and Governance sections of this Annual Report.

Details of Directors remuneration are set out Directors' Remuneration section on page 37 in the report.

7. INCOME TAX

The accrued income tax expense continues to be £nil as the Group remains in a loss-making position.

Income tax expense

	Audited Year ended 31-Dec-23 £	Audited Year ended 31-Dec-22 £
Current tax	-	-
Total current tax expense	-	-

Reconciliation of the tax expense

The standard rate of corporation tax in Jersey is nil % (2022: nil %) which differs from the tax rates in foreign jurisdictions as follows: Chile tax rate of 27% (2022: 27%); and U.K. tax rate of 19% (2022: 19%).

Notwithstanding the Group has cost centres in several tax jurisdiction, for tax reconciliation purposes, the Directors have decided to use the Chilean corporate tax rate as most appropriate given the operations and future production of the Group is located in Chile.

	Audited Year ended 31-Dec-23 £	Audited Year ended 31-Dec-22 £
Loss before taxation	(5,885,600)	(3,800,537)
Tax at the aggregated applicable tax rate of 27% (2022: 27%)	2,561,166	1,720,384
Expenses not deductible for tax purposes	(1,331,581)	(951,012)
Losses carried forward on which no deferred tax is recognised	(1,229,585)	(769,372)
Total current tax expense	-	-

Not all losses incurred are allowable for taxation purposes. At 31 December 2023, the Group had £ 3,469,383 of accumulated tax losses (2022: £ 2,239,798). An indefinite carry-forward of net operating losses is permitted under Chilean tax rules. Losses mainly relate to those incurred by the Chilean entities, which are not expected to be transferrable to UK or JE jurisdictions.

No deferred tax asset is recognised on these losses due to the uncertainty over the timing of future profits and gains.

8. 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 options schemes and warrant instruments detailed in Note 14. 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	Audited Year ended 31-Dec-2023 £	Audited Year ended 31-Dec-22 £
Loss after taxation	(5,885,600)	(3,800,537)

Basic weighted average number of ordinary shares (millions)	109.74	78.56
Basic loss per share (GBP £)	(0.054)	(0.048)

9. SEGMENTAL INFORMATION

The Group operates in a single business segment, being the exploration and evaluation of mineral properties. These activities are undertaken in Chile, alongside administrative operations in the U.K., Jersey and formerly in Australia.

31 December 2023	Chile	Rest of World	Total
	£	£	£
Exploration and evaluation assets	13,710,413	-	13,710,413
Non-current assets	13,710,413	-	13,710,413
Trade and other receivables	484,252	126,646	610,898
Related party and intra-group receivables	94,826	(94,826)	-
Cash and cash equivalents	48,609	6,153,419	6,202,028
Current assets	627,687	6,185,239	6,812,926
Trade and other payables	(230,439)	(121,198)	(351,637)
Related party and intra-group payables	(14,094,942)	14,094,942	-
Provisions and accruals	(166,411)	(212,302)	(378,713)
Current liabilities	(14,491,792)	13,761,442	(730,350)
Net Assets	**(153,692)**	**19,946,681**	**19,792,989**

31 December 2022	Chile	Rest of World	Total
	£	£	£
Exploration and evaluation assets	5,317,412	-	5,317,412
Non-current assets	5,317,412	-	5,317,412
Trade and other receivables	186,273	92,066	278,339
Related party and intra-group receivables	102,985	(102,985)	-
Cash and cash equivalents	174,311	12,193,954	12,368,265
Current assets	463,569	12,183,035	12,646,604
Trade and other payables	369,756	70,582	440,338
Related party and intra-group payables	510,767	(510,767)	-
Provisions and accruals	115,609	77,799	193,408
Current liabilities	996,132	(362,386)	633,746
Net Assets	**4,784,848**	**12,545,421**	**17,330,270**

10. WIND UP OF AUSTRALIAN ENTITIES

On 25 March 2022 the Australian Entities were wound-up and formally deregistered. There has been no net change to the overall economic substance of the Group, nor had there been a change to the ultimate beneficial owners of the Group arising from the corporate restructurings which ultimately led to the deregistrations of the Australian entities.

11. 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	Audited Year ended 31-Dec-2023	Audited Year ended 31-Dec-22
	£	£
Opening balance	5,317,412	765,115
Additions	9,383,902	4,316,747
Effect of foreign exchange translations	(990,901)	235,550
Closing balance	13,710,413	5,317,412

Of the additions, approximately £0.5 million is non-cash in nature, which reflects the accounting adjustment for share-based payments made to staff and contractors, about which further detail is set out in Note 14

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 31 December 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. Consequently, the Directors do not consider there is any indication of impairment.

In 2024, the DLE pilot plant was commissioned, consequently the Directors will consider whether expenditure relating to the DLE pilot plant should be reclassified as tangible assets in 2024. However, at 31 December 2023, expenditure related to DLE had been classified as intangible pending confirmation as to its technical and commercial feasibility.

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables	Audited As at 31-Dec-2023 £	Audited As at 31-Dec-22 £
Prepayments and deposits	570,936	194,712
VAT	13,385	4,988
Other receivables	26,577	78,639
Total	610,898	278,339

Prepayments and deposits largely reflect prepayments with respect to with capital projects in Chile and 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 £13,000 at 31 December 2023, at that date approximately £1.8 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 £1.2 million provision has been reflected in the income statement for the year ended 31 December 2023 (£0.6 million in 2022).

Other receivables comprise multiple smaller working capital balances.

13. SHARE CAPITAL

Share capital

	Number of shares	£
At 1 January 2022	2	0.02
Share for share exchange CTL Ltd	60,366,573	5,051,201
Cash received for shares held in creditors	-	194,917
Fundraise shares issued	44,766,925	17,867,122
Commissions on fundraise shares issued	-	(1,047,970)
Warrant shares fair value adjustment	-	(989,115)
Equity settled transactions	200,000	-
At 31 December 2022	105,333,500	21,076,155
At 1 January 2023	105,333,500	21,076,155
Share options exercised	1,100,000	396,000
Fundraise shares issued	38,728,826	8,520,341
Commissions on fundraise shares issued	-	(607,104)
Warrant shares fair value adjustment	-	(3,074,767)
At 31 December 2023	145,162,326	26,310,625

In 2022, CTL Plc completed its formal acquisition of the Underlying Group through a share-for-share agreement with the shareholders of CTL Ltd. In addition, shares were issued by CTL Plc as a part of the

IPO placing, and as a part of the placing which completed in November 2022. Of the share capital raised, approximately £1.0 million was offset by fundraising commissions.

In 2023, approximately £0.4 million was raised through the exercise of share options from a previous employee (see Note 14). In addition, CTL Plc completed a fundraise of approximately £8.5 million, which included £0.1 million of non-cash settled share based payments, and of which approximately £0.6 million was offset by fundraising commissions.

14. SHARE BASED PAYMENTS

During the year ended 31 December 2023, share options have been granted to certain Directors, staff and suppliers.

In addition, during the year, 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.

	Year ended 31-Dec-23 #	Year ended 31-Dec-22 #
Outstanding at start of the year	10,984,745	-
Share options granted	3,283,000	6,670,000
Warrant shares granted	21,876,005	4,314,745
Share options exercised	(1,100,000)	-
Share options revoked or forfeited	(681,000)	-
Outstanding at end of the year	34,362,750	10,984,745

All warrants have vested, the outstanding share options have various vesting conditions, some of which have vested, others which have not.

		Audited Year ended 31-Dec-23 #	Audited Year ended 31-Dec-22 #
IPO share options	vested	2,900,000	2,900,000
Performance related options	Milestone 1 (see note below: M1)	1,238,334	1,103,667
Performance related options	Milestone 2 (see note below: M2)	1,418,334	1,103,667
Performance related options	Milestone 3 (see note below: M3)	1,418,332	1,103,666
Non-Executive Director Options	Time (see note below: time)	697,000	595,000
Other contractor options	Fully vested nil-cost options	500,000	-
Share options outstanding at end of the year		8,172,000	6,670,000

Notes on vesting conditions

M1	This vesting condition is met when the Board publishing a JORC 'measured and indicated' resource total of 1m tonnes (or more) of Lithium Carbonate Equivalent; this condition was met during the 2023
M2	This vesting condition is met when the Board agrees to the publication of a Pre-Feasibility Study (PFS)
M3	This vesting condition is met when proposed pilot plant testing process has met its objectives to produce sufficient battery grade lithium carbonate and/or lithium hydroxide to enable the Company to supply material for offtake customer testing and to provide process design data for the Definitive Feasibility Study (DFS)
Time	Refers to annual anniversary time vesting points

All options and warrants are granted in the Company's name. Share options granted have a weighted average exercise price of 47 pence and warrants granted have a weighted average exercise price of 33 pence.

The accounting standards and CTL's accounting policies provide that the cost of issuing equity instruments (warrants or share options) is measured at its fair value. In the case of share options, fair values are charged to the income statement or the exploration asset, with a corresponding increase in

equity. The fair value of share options is measured at grant date, using a Black-Scholes pricing model and spread over the period during which the employee becomes unconditionally entitled to the award (the vesting period). The charge is adjusted to reflect the expected number of shares or options that vest. The fair value of each option granted in the period was estimated using the Black Scholes option pricing model with the following assumptions:

	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	116%
Vesting period	4.7-5.0 years from vesting
Risk-free interest rate (based on government bonds)	4.16%

The fair value of warrants is also measured at grant date, using a Monte Carlo simulation where vesting dates depend on performance related criteria, or using the Black-Scholes pricing model where more appropriate. As with the treatment of share options, the fair value is spread over the period during which the warrant holder has entitlement to the award. The charge is adjusted to reflect the number of warrants that vest. In the case of warrants, fair values are charged to an equity reserve.

The total share option fair value charge for year ended 31 December 2023 is £1,060,152 (£588,713 in 2022), of which approximately £528,000 has been recorded in the income statement as a non-cash employee expense; the balance has been recorded within E&E. The total warrant fair value charge for year ended 31 December 2023 is approximately £3,074,000 (2022: £989,114).

All of the warrants granted during the year vested on or shortly after the grant date. The warrants which were awarded to subscribers of the two-tranche placing and open offer which was approved by shareholders and completed on 14 December 2023 have a vesting date of 14 December 2024 and expire on the second annual anniversary. Broker warrants issued as a part of the two-tranche placing during the period had a vesting date of 15 December 2024 and expire on 15 December 2028.

As noted, these fair value estimates are non-cash accounting entries.

15. CONTINGENT LIABILITIES

Laguna Verde Option Agreement

At 31 December 2023, the Group held 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 USD $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.

Subsequent to the year end, the Company announced the buy-out of the LV option agreement. This buy-out formalises CleanTech's legal ownership of the mining concessions of interest in the Laguna Verde asset, details of which are set out in Note 21.;

16. PAYABLES, PROVISIONS AND ACCRUALS

	Year ended 31-Dec-23 £	Year ended 31-Dec-22 £
Trade and other payable	(291,369)	(321,476)
Provisions	(106,451)	(86,007)
Other taxes and social security	(59,027)	(118,862)
Accruals	(272,262)	(107,401)
Total	(730,350)	(633,746)

Trade and other payables include routine trade creditors.

The provisions balance largely reflects the provision for taxes associated on the expenses classified as Director fees for Mr Boitano. Prior to 2021, Mr. Boitano provided ad hoc financing support to the Group to fund working capital and exploration and evaluation expenditure. Related party transactions involving Mr. Boitano comprised settlements of liabilities on behalf of the Group or on behalf of Mr. Boitano and transfers by Mr. Boitano to or from the Group under informal finance arrangements. No such funding arrangements were made between the Group and Mr. Boitano after 2020. In historical periods, net

amounts owing to the Group were waived and expensed to the Income Statement and totalled approximately £33,000 in 2020. These amounts were classified as Director fees and a provision for taxes relating to same was made. Any amounts advanced by or to Mr. Boitano were deemed repayable on demand and did not carry an interest rate.

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.

17. OTHER RESERVES

Foreign exchange reserve
The foreign exchange reserve represents the differences arising on the translation of transactions from the functional currencies.

Accumulated losses
The accumulated losses represent the consolidated losses of the Group. Movements during the year represent the consolidated comprehensive loss for that year.

18. CAPITAL MANAGEMENT

The capital of the Group consists of the items included within *"equity"* on the Statement of Financial Position. The Directors manage the Group's capital structure based on the nature and availability of funding and the timing of expected or committed expenditures. The Directors' capital management policy is to maintain sufficient capital to support the acquisition, exploration and future development of the Group's exploration and evaluation assets and to provide sufficient funds for the Group's corporate activities.

The Group's exploration and evaluation assets are in the exploration phase of development, consequently, the Group is unable to finance its operations through production revenues. The Group has relied historically on equity financings and on debt funding, or a combination thereof, to finance its activities. The Directors project the Group's future capital requirements by planning the exploration and future development activities to be undertaken on its exploration and evaluation assets and assessing the level of corporate activities that are necessary to support the growth and development of the Group. The Group is not subject to any capital requirements imposed externally.

19. RELATED PARTY TRANSACTIONS

At the year end, Company had one receivable owing from one of the directors totalling approximately GBP £18,000 which has been fully repaid in January 2024. There were no related party transactions during the year other than transactions with Directors as disclosed in the Directors remuneration section of the report on page 30. In addition, during the year, one month's fees for one of the directors was settled in shares. In 2022, the Company procured professional photographs of the Board for publication purposes from a related party of one of the Directors. The transaction had a value of £750 and was paid in full in 2022.

20. SUBSIDIARY UNDERTAKINGS

At 31 December 2023, CleanTech Lithium Plc has the following subsidiary undertakings, all of which are wholly owned, directly or indirectly:

Name of company	Country of incorporation	Ownership
CleanTech Lithium Ltd	England & Wales	Wholly owned by CleanTech Lithium Plc
CLS Chile SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Laguna Negro Francisco SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Atacama Salt Lakes SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Laguna Escondida SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Atacama Tierras Blancas SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Laguna Brava SpA	Chile	Wholly owned by CleanTech Lithium Ltd
Llamara SpA	Chile	Wholly owned by CleanTech Lithium Ltd

CleanTech Lithium Ltd acts as holding company (for the Chilean entities) and management service provider to the Group. CLS Chile SpA primarily acts as service provider to the other Chilean entities, which are themselves are asset and mining licence companies.

The financial information presented by the Group in this report also contains information relating to the two Australian entities, noting these were wound-up and formally deregistered on 25 March 2022. There been a change to the ultimate beneficial owners of the Group arising from the corporate restructurings and subsequent deregistrations of the Australian entities.

Name of company	Country of incorporation	Ownership
Chilean Lithium Salars Holdings Limited	Australia	Wholly owned by CleanTech Lithium Ltd

Chilean Lithium Salars Pty Limited	Australia	Wholly owned by CleanTech Lithium Ltd

21. SUBSEQUENT EVENTS

Matters relating to events occurring since Period end are reported in the section entitled Chairman Statement and set out below:

On 12 April 2024, the Company announced it had accepted the resignation of Aldo Boitano as CEO and director of the Company with immediate effect. This announcement followed his suspension after he failed to disclose entered into a loan agreement with a financial institution, under which he agreed to provide security over ordinary shares which he had held in his name. Steve Kesler will continue as CEO on an interim basis to ensure no impact on the Company's ongoing activities. To ensure continuity, Steve Kesler, as Executive Chairman has been working closely with Mr Boitano and is well placed to ensure ongoing continuity and progress.

On 22 April 2024 the Company announced it had completed the planned acquisition of the 23 Laguna Verde licences previously subject to an option agreement resulting in the Company securing full ownership, as well as control, of the full 108 mining licences comprising the Laguna Verde project.

Also on 22 April 2024, the Company announced it issued convertible loan notes to raise gross proceeds of £1 million for the Company on what the Directors believe are advantageous terms.

On 8 May 2024 the Company announced that, as far as it can determine, Mr Boitano has ceased to hold a beneficial interest in shares in the Company.

On 14 May 2024 the Company announced that the DLE pilot plant had produced high quality eluate with low impurities. DLE primarily acts as a purification stage, recovering lithium chloride from the brine whilst rejecting other impurities. The pilot plant in Copiapó has demonstrated that it can operate at the designed capacity of concentrated eluate production sufficient for conversion to 1 tonne per month of battery grade lithium carbonate. This places CleanTech Lithium at the forefront of exploration companies in Chile and the wider sector, in its ability to make available large samples of lithium carbonate product to potential strategic and offtake partners seeking to start product qualification.

-ENDS-

Glossary

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
SBP	Share based payments
SPA	Sale & Purchase Agreement

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