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CleanTech Lithium PLC
01 July 2024

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EU (WITHDRAWAL) ACT 2018 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE LOAN NOTERS AND WARRANTS WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION (AS DEFINED IN MAR), AS PERMITTED BY MAR. THIS INSIDE INFORMATION IS SET OUT IN THIS ANNOUNCEMENT. THEREFORE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION RELATING TO THE COMPANY AND ITS SECURITIES.

1 July 2024

CleanTech Lithium PLC ("CleanTech Lithium", "CTL" or the "Company")
New Bridging Loan and Termination of Convertible Loan Notes

CleanTech Lithium PLC (AIM:CTL, Frankfurt:T2N, OTCQX:CTLHF), an exploration and development company advancing lithium projects in Chile, is pleased to announce it has secured commitments from a number of investors (including existing shareholders) to raise gross proceeds of approximately A$4 million (approximately £2.1 million) through the issue of loan notes (the "Loan Notes"). In addition, the Company announces that on 28 June 2024 it has terminated the £1 million convertible loan notes (the "CLNs"), details of which were announced on 22 April 2024.

The Loan Notes:

The Loan Notes subscribed for are for an aggregate amount of A$3,995,000, have been denominated in both Australian Dollars (the "**AUD Loan Notes**") and Pounds Sterling (the "**GBP Loan Notes**") and carry an entitlement to warrants ("**Warrants**"). Each A$ 0.9126 of AUD Loan Notes subscribed and/or each £0.48 of GBP Loan Notes subscribed will carry an entitlement to one Warrant. Each Warrant grants the holder the right to subscribe for one new Ordinary Share at a price of either A$0.456 or £0.24 (at the warrant holder's election), being a 71.4 per cent. premium to the Company's closing share price on 28 June 2024 of £0.14 and each has a term of 5 years.

The funds raised through the issue of the Loan Notes will provide CTL with immediate liquidity and will enable the Company to maintain its current activities and work programmes whilst it prepares for the planned dual-listing on the Australian Securities Exchange ("ASX").

CLNs Termination:

On 28 June 2024 the Company terminated the agreement relating to the £1 million CLNs, details of which were announced on 22 April 2024, due to the CLNs subscriber failing to pay the subscription monies for the CLNs to the Company, despite ongoing assurances to the Company that they would meet their obligations under the agreement.

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

"*The Board considered it prudent to bring in the necessary funds now to provide for our working capital as we move forwards towards the intended ASX dual-listing. We are grateful to the Loan Note holders for responding to our request for a short-term facility which is undertaken on what the Board considers to be in line with reasonable terms for a loan facility of this type. This loan is intended to be a short-term bridging facility to be repaid from the proceeds of the next capital raise, which as previously announced, the Company intends to conduct in connection with its dual-listing on the ASX.*

I was in Australia for meetings with various parties for 10 days recently, along with our advisors and fellow director Tommy McKeith, and we were very pleased at the reception to our Company's story.

We will update the market again soon on the next steps with the listing."

Further Information on the Loan Notes:

On 28 June 2024 CTL has entered into the Loan Notes with four lenders on the following terms:

- A$3,140,000 AUD Loan Notes and £450,000 GBP Loan Notes have been subscribed for, equivalent to total gross proceeds of A$3,995,000 or £2,102,632 at an FX rate of GBP1.00/A$1.90
- The Loan Notes attach a Warrant for every A$0.912 of AUD Loan Notes subscribed and/or each £0.48 of GBP Loan Notes issued respectively
- The AUD Loan Notes are issued in integral multiples of A$10,000 and the GBP Loan Notes in multiples of £10,000
- The Loan Notes do not bear interest and have a maturity date of 12 months from issue date ("Maturity Date")
- A premium shall be payable on the principal amount of any outstanding Loan Notes, to be paid on the date of redemption, as follows:
  - § 15% premium if the Loan Notes are repaid within three (3) calendar months of their issue date; and
  - § Should the repayment not be made within the first three (3) months, then the premium incrementally increases to up to 50% should the Loan Notes be repaid between ten (10) and twelve (12) calendar months from the date of issue.
- All of the outstanding Loan Notes shall be redeemed on the earlier of:
  - § the Maturity Date, and
  - § 10 business days following the completion of a capital raise of at least A$5,000,000.
- Security:
  - § The Loan Notes are unsecured for the first three months. Should the repayment not be made during that period, security over assets will need to be procured. Until the Loan Notes have been redeemed, the Company will not take out any other loan facilities without the prior approval of at least 75% of the Loan Noteholders.

Related Party:

Regal Tactical Credit Fund, of which Regal Funds Management Pty Ltd is a trustee, has subscribed for A$3,000,000 of the AUD Loan Notes. Regal Funds[1], as defined below, are currently interested in 15.35 per cent. of the Company's issued share capital and therefore are, as a substantial shareholder, a Related Party under the AIM

Rules. As such, Regal Tactical Credit Fund's participation in the subscription under the AUD Loan Notes is a Related Party Transaction for the purposes of Rule 13 of the AIM Rules.

In assessing the reasonableness of the terms of the Loan Notes, the Directors considered several prevailing factors including the Company's cash position in general, the need to replace proceeds from the CLNs which had not been paid (as referred to above) the pressing need to manage Company's near-term working capital requirements with suitably priced alternative funding and also to find supportive Loan Note holders who are supportive of the Company's wider objectives. The only equity linkage is the Warrants with a fixed subscription price of either A$0.456 or £0.24 which compares to a closing price on AIM on 28 June 2025 of £0.14. As explained above, the Loan Notes are intended to be repaid from the proceeds of the next capital raise in conjunction with the planned ASX listing, were that listing not to occur then the Company would need to undertake an alternative raise at some point over the next twelve months to allow for the Loan Notes to be repaid in full.

Accordingly, the Directors of the Company, all independent, having consulted with Beaumont Cornish Limited, the Company's Nominated Adviser, have concluded that the terms of the Loan Notes are fair and reasonable insofar as the Company's shareholders are concerned.

[1]*Regal Funds comprising Regal Funds Management Pty Limited and its associates (including Regal Partners Limited, of which Regal Funds Management Pty Limited is a wholly owned subsidiary) which act as trustee and investment advisor for certain funds*

Warrant Instrument:

The Loan Notes carry an entitlement to Warrants. Each Warrant grants the holder the right to subscribe for one new Ordinary Share at a price of either A$0.456 or £0.24 (at the warrant holder's election), being 71.4 per cent. above the Company's share price at close of trading on 28 June 2024 of £0.14 and has a term of 5 years. If exercised, the Warrants would generate approximately £1.1m in additional cash proceeds for the Company. All Warrants are transferrable.

In aggregate a total of 4,380,181 Warrants have been granted and any Warrants which are unexercised at the end of the relevant subscription period shall automatically expire. Upon exercise of the Warrants, it is anticipated the underlying Ordinary Shares will be issued within seven days.

For further information contact:

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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 in Chile, Laguna Verde and Viento Andino, and hold 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 Viento Andino 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 extraction 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

****ENDS****

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