RNS Number : 1916I
CleanTech Lithium PLC
15 June 2026

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15 June 2026

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

2025 Annual Report and Accounts

CleanTech Lithium PLC (AIM: CTL), an exploration and development company advancing sustainable lithium projects in Chile, publishes its audited annual report and accounts for the year ended 31 December 2025 ("2025 Accounts").

The full version of the 2025 Accounts will shortly be available on the Company's website, accessible via the link https://ctlithium.com/investors/latest-presentation-report/ and with extracts set out below.

Ignacio Mehech, Chief Executive Officer, CleanTech Lithium PLC, said:

"2025 and the early months of 2026 have marked a period of meaningful progress for CleanTech Lithium. With the approval of these accounts, the closing of the recent conditional fundraising, the securing of the CEOL terms and the publication of the PFS for Laguna Verde, the conversion of the loan notes into equity and the positive response we're noticing as a part of the strategic partner selection process, I am excited for the months and journey ahead. Thanks to the CTL team for all its efforts and to you, our shareholders, for the continuing support which is greatly appreciated."

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 Dermot Boylan, Group Financial Controller.

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Extracts from the audited Annual Report and Accounts for the year ended 31 December 2025

Chairman's Statement

Dear fellow shareholders,

A pivotal step in the development of the Company is the recent agreement with the Ministry of Mining of the terms for the CEOL for Laguna Verde. It has taken a considerable time for the Chile Government to formulate its National Lithium Strategy and put into effect the mechanisms to enable new private sector investment into the Chile lithium industry. As one of the first recipients of a CEOL, and with Laguna Verde the most advanced new lithium project in Chile, we aim to contribute to Chile´s ambition to once again become the largest producer of lithium in the world.

During the period under review, we continued to make progress towards developing our flagship project Laguna Verde and strengthening our advanced DLE process work with our partners which culminated in finalisation of a positive PFS. With a resource of 1.9 million tonnes LCE and a process that has demonstrated the ability to produce battery grade lithium carbonate, we are well placed to introduce a strategic partner into the Laguna Verde project. We have appointed Cutfield Freeman & Co as financial advisers to help the Company select the best partner for funding through DFS and EIA and to Final Investment Decision.

Having obtained the CEOL and completed the PFS for Laguna Verde we will be resuming our application for dual listing on ASX in the best possible position to gain investor interest from this market which is the world leader for mining investment. The timing is opportune as the lithium industry is showing signs of strong recovery after a period of pricing pressure and short-term oversupply with demand drivers such as electric vehicles and energy storage systems including for data storage infrastructure expected to underpin significant market growth. Analyst commentary sees a broader market maturing and an increase in investor interest as evidenced by the strong upward share price movement of operating and developing lithium companies listed on ASX.

On 10 April 2025, Ignacio Mehech was appointed Chief Executive Officer and Board Director, bringing extensive lithium industry experience to the Company having held the position as Country Manager for Albemarle in Chile for seven years and other senior roles in the mining sector. Ignacio's appointment has been key to obtaining the CEOL and PFS and enabled a successful leadership transition, allowing me to return to my original position as Non-Executive Chairman. In October 2025, we welcomed Paul Atherton as an Independent Non-Executive Director resident in Jersey, adding valuable governance, project development, and financial expertise to the Board. In April 2026, we welcomed Todd Ross to the Board as an Australian resident in anticipation of an ASX listing and in June 2026 Leo Koot was also welcomed to the Board following a period as Board observer on behalf of the loan note holders.

It was announced on 11 August 2025 that CFO and Director Gordon Stein would step down from the Board with immediate effect and leave his position as CFO on 11 February 2026. Since then Mr Stein has continued with the Company as CFO in a consulting role initially until end of June 2026 to lead the ASX dual listing and work with our financial adviser to bring in a strategic partner. He will also continue as CFO whilst working with Ignacio to transition the Company to a more appropriate financial management structure following introduction of the strategic partner and completion of the ASX dual listing.

The Company has followed a disciplined financial approach with fundraisings limited to that required for successful completion of the CEOL and PFS for Laguna Verde. Work on other projects was suspended and overhead reduced to ensure that the Company survived what several analysts called "a lithium winter" with poor lithium prices and sentiment which, together with waiting on award of the CEOL, had a material impact on access to capital.

With the recovering lithium industry outlook, CleanTech Lithium remains confident in its strategy to become a leading sustainable lithium producer in Chile. We intend to advance Laguna Verde into production as rapidly as possible whilst addressing our other growth opportunities. We have appreciated the continued support of all our stakeholders during a difficult year and look forward to all seeing substantial gains as we enter this next phase of growth.

Steve Kesler, Non-Executive Chairman, 12 June 2026

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2025 Financial Overview

2025 was characterised by disciplined capital management and a strategic focus on the group's flagship project amidst a volatile macroeconomic backdrop. We entered the year navigating what industry analysts termed a "lithium winter," with lithium prices falling to near four-year lows. The Company's response was to adopt a rigorous austerity programme; that programme is clearly reflected in our financial results.

Administrative costs were reduced by c.62% to £1.42 million (2024: £3.69 million). This was closer to a 19% reduction on an underlying basis when foreign exchange gains of c. £1.6m are excluded. The cost savings were driven by targeted reductions in discretionary spending, notably a c. 80% reduction in PR and Investor Relations costs to £71k (2024: £380k) and a more than 50% decrease in travel costs to £99k (2024: £211k). Driven by these tightened controls and a positive swing in foreign exchange, our comprehensive loss for the year after tax was significantly narrowed to £2.80 million (2024: £7.24 million).

Strategic Funding and Liquidity

Our primary financial objective in 2025 was to secure the funding necessary to deliver the two most critical milestones for our flagship Laguna Verde project: the CEOL and the Pre-Feasibility Study (PFS). After the year end, both have been delivered. To allow us to do that, in 2025 we raised funds in the market and proactively managed our debt profile, as follows:

- Q1 2025 Fundraise: In February and March 2025, the Company completed a placing and retail offer, raising £2.5 million to bolster the cash position and fund ongoing pilot plant operations.
- Q3 2025 Licence Acquisition & Fundraise: In August 2025, we successfully executed a conditional placing of £4.3 million alongside a £250,000 retail offer. The proceeds allowed the Group to acquire a block of strategically important licences for the CEOL application.
- Convertible Loan Note Refinancing: In addition to the equity fundraises, the Company restructured and refinanced its existing convertible loan notes during the year, closing the period with a loan notes payable balance of £3.09 million. Crucially, the lenders of these notes are also existing shareholders. Their continued financial backing through this restructuring serves as a strong endorsement of our strategic direction and reflects their deep conviction in the fundamental value and future upside of the Company's asset portfolio.
- In the days before publishing this annual report, the Company announced it had raised approximately £4.8 million (before expenses) of which approximately £2.4 million will be subject to shareholder approval, through an accelerated book build. Further subscription interest is expected and will be added to the gross proceeds. At the same time, the holders of the loan notes agreed to convert the outstanding principal and premiums into equity. The results of the fundraise are conditional on shareholder approval which is scheduled at the next General Meeting, 1 July 2026.

As a result of these corporate actions and in combination with our prudent approach to cash preservation, our cash position at 31 December 2025 stood much strengthened at £1.84 million (2024: £0.13 million). Overall, the Group's net assets grew to £19.4 million (2024: £14.0 million), underscoring a vastly improved balance sheet position.

Overview of 2025 expenditure

Capex: Exploration & Evaluation assets

Aligned with the strategic priorities to secure the CEOL and deliver the PFS, capital expenditure in 2025 was weighted toward additions to exploration and evaluation (E&E) assets at Laguna Verde. Total E&E assets increased to £42.1 million at year-end (2024: £32.6 million).

A significant portion of the £9.5 million increase reflects the 30 additional licences blocks acquired at Laguna Verde in August, adding £7.17 million (Fair Value) to our asset base increasing our preferential licence coverage to 97.6% of the Government-defined CEOL polygon (and 92% coverage when the licence blocks acquired from the Laguna Verde Option buy-out (see Note 16) are excluded from the polygon coverage calculation). Acquiring those 30 additional licence blocks has proven strategically essential for directly satisfying the Ministry's stated criteria for the CEOL application.

In addition, the Group invested £1.06 million in direct additions and £0.29 million in capitalised people costs to advance, amongst other things: the DLE pilot plant, resource upgrades, and the finalisation of our PFS alongside international engineering consultancy, Worley.

Post-Period Financial Strategy

The disciplined financial groundwork laid in 2025 has positioned the Company strongly for 2026. Following the landmark agreement of the CEOL terms for Laguna Verde in early 2026, we have appointed Cutfield Freeman & Co as our financial advisers to identify and secure a strategic partner to fund the project through the Definitive Feasibility Study (DFS) and to a Final Investment Decision (FID).

Furthermore, with Decree which outlined the terms of the CEOL which is to be awarded to CleanTech Lithium was confirmed on 11 March 2026 and the key takeaways from the PFS published shortly thereafter, we are optimally positioned to resume our application for a dual listing on the Australian Securities Exchange (ASX), and select a strategic partner willing to participate in what we believe to be the most advanced new lithium project in Chile.

Ignacio Mehech, Chief Executive Officer, 12 June 2026

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Financial Results

Consolidated Statement of Comprehensive Income

	Notes	Audited Year ended 31-Dec-2025 £	Audited Year ended 31-Dec-2024 £
Income		-	-
Administrative costs	5	(1,422,147)	(3,690,963)
Share option and warrant charge	15	(684,548)	(638,074)
Net (Provision)/Release for Chilean VAT	12	965,072	(778,340)
Impairment loss	11	-	(499,293)
Operating loss		(1,141,623)	(5,606,671)
Finance costs	6	(1,993,403)	(1,302,602)
Foreign exchange on financing transactions		326,460	(332,946)
Loss before tax		(2,808,566)	(7,242,219)
Income tax	8	-	-
Loss for the year after tax		(2,808,566)	(7,242,219)
Other comprehensive (loss) / income: Foreign exchange differences arising on translation of functional currencies		549,773	(1,890,213)
Total comprehensive loss for the year		(2,258,793)	(9,132,432)
Loss per share			
Basic and diluted (GBP £)	9	(0.022)	(0.096)

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-25 £	Audited as at 31-Dec-24 £
Exploration and evaluation assets	11	42,108,783	32,583,274
Non-current assets		42,108,783	32,583,274
Cash and cash equivalents		1,837,420	134,248
Trade and other receivables	12	1,239,535	161,492
Current assets		3,076,955	295,740
Trade and other payables	17	(176,239)	(471,672)
Provisions and accruals	17	(821,148)	(770,342)
Loan notes payable	18	(3,086,617)	(2,185,135)
Deferred consideration	16	(3,013,331)	(1,686,408)

Current liabilities		(7,097,335)	(5,113,557)
Deferred consideration	16	(18,697,954)	(13,815,221)
Non-current liabilities		(18,697,954)	(13,815,221)
Net assets		**19,390,449**	**13,950,236**
Share capital	13	32,218,322	28,443,989
Capital reserve		(77,237)	(77,237)
Share based payment reserve		10,794,246	6,869,574
Foreign exchange reserve	19	(2,045,815)	(2,595,588)
Accumulated losses	19	(21,499,067)	(18,690,501)
Equity and reserves		**19,390,449**	**13,950,236**

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 12 June 2026 and were signed on its behalf by:

Ignacio Mehech, Chief Executive Officer, 12 June 2026

Consolidated Statement of Changes in Equity

	Share Capital £	Capital Reserve £	Share based payments reserve £	Foreign exchange reserve £	Accumulated losses £	Total £
At 1 January 2024	26,310,625	(77,237)	5,713,259	(705,375)	(11,448,283)	19,792,989
Loss for the year	-	-	-	-	(7,242,219)	(7,242,219)
Other comprehensive loss	-	-	-	(1,890,213)	-	(1,890,213)
Total comprehensive loss	-	-	-	(1,890,213)	(7,242,219)	(9,132,431)
Share options and warrants	(169,768)	-	1,156,315	-	-	986,547
Shares issued	2,303,131	-	-	-	-	2,303,131
	2,133,363	-	1,156,315	-	-	3,289,678
31 December 2024	**28,443,989**	**(77,237)**	**6,869,574**	**(2,595,588)**	**(18,690,501)**	**13,950,236**
At 1 January 2025	28,443,989	(77,237)	6,869,574	(2,595,588)	(18,690,501)	13,950,236
Loss for the year	-	-	-	-	(2,808,566)	(2,808,566)
Other comprehensive loss	-	-	-	549,773	-	549,773
Total comprehensive loss	-	-	-	549,773	(2,808,566)	(2,258,793)
Share options and warrants	-	-	3,924,673	-	-	3,924,673
Shares issued	3,774,333	-	-	-	-	3,774,333
	3,774,333	-	3,924,673	-	-	7,699,006
31 December 2025	**32,218,322**	**(77,237)**	**10,794,246**	**(2,045,815)**	**(21,499,067)**	**19,390,449**

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

Consolidated Statement of Cash Flows

	Audited Year ended 31-Dec-2025	Audited Year ended 31-Dec-2024

		£	£
Loss after tax for the period		(2,808,566)	(7,242,219)
Non-cash items:			
Share option and warrant charge		684,548	638,074
Movement in trade and other receivables		(1,056,873)	398,750
Movement in payables, provisions and accruals		(2,923,230)	1,730,397
Impairment of assets		-	499,293
Finance costs		1,993,403	501,464
Net cash used in operating activities		(4,110,718)	(3,474,240)
Expenditure on exploration and evaluation assets	11	(1,344,115)	(6,502,455)
Net cash used in investing activities		(1,344,115)	(6,502,455)
Net proceeds from issue of ordinary shares	13	7,221,612	2,239,138
Proceeds from issue of loan notes	14	(113,189)	2,070,013
Net cash generated from financing activities		7,108,423	4,309,151
Net cash flow		1,653,590	(5,667,545)
Cash and cash equivalents brought forward		134,247	6,202,028
Net cash flow		1,653,590	(5,667,545)
Effect of exchange rate changes		49,583	(400,235)
Cash and cash equivalents carried forward		1,837,420	134,248

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

Notes to the Financial Statements

1. GENERAL INFORMATION

The consolidated financial statements of CleanTech Lithium Plc for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board on 12 June 2026.

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 UK 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 prior year ended 31 December 2024, a Chilean holding company was incorporated as a subsidiary of CTL Ltd. and the interests held by CTL Ltd in four of the Chilean entities were transferred to the holding Company, CleanTech Chile SpA.

During the year ended 31 December 2025, the Group's corporate structure was further expanded through its wholly owned Chilean subsidiaries, including the incorporation of CleanTech Laguna Verde Dos SpA ("CTLVD"), which was established to acquire additional licences at the Laguna Verde project.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with UK-adopted international accounting standards (UK IAS). These financial statements are for the year 1 January 2025 to 31 December 2025 and the comparatives are for the year 1 January 2024 to 31 December 2024.

Throughout the reporting period, including the comparatives, the historical cost basis of preparation is used, except for certain financial instruments 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.

The consolidated financial statements present the consolidated results of the parent and the subsidiaries (see note 22) under its control. The basis for consolidation is consistent with previous years financial statements which include the history of the group.

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 quantum and timing of which are inherently uncertain. 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 and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding, the Directors have a demonstrated record of successfully raising capital for projects and ventures of this nature.

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. Following the acquisition of 30 additional licences in August 2025, the Group has conditional financial commitments tied to specific project milestones.

The Directors are confident that through a combination financing options (including the selection of a strategic partner and a dual listing on the ASX -noting that both processes which are underway the implementation of austerity measures if required, and the proven success in raising capital, the Group will secure the funding needed to deliver on its commitments, settle its near-term liabilities, and continue as a going concern for at least 12 months from the date of the approval of these financial statements.

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 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 8.

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 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.

Acquisition of and Deferred Consideration associated with LV Purchase Agreement

The licences acquired under the historical LV Purchase Agreement and the 30 additional licences acquired in August 2025 pursuant to the Minergy Licences Purchase Agreement are designated as an asset acquisition and assigned a fair value in accordance with the principles of the UK IAS. Consistent with IFRS 13, a discount rate reflective of the factors that market participants would consider in the pricing of such a liability as well as the currency in which the cashflows are denominated is applied. As the discount is amortised, it is recognised as a finance cost in the Income Statement.

Loan Notes

The Loan Notes and associated warrants are accounted for in accordance with IAS 32, wherein the fair value of the warrants is assessed to be the residual between the value of the loan and the present value of the loan discounted at a market rate of interest. If a reliable market rate is not readily available, then an estimate of the fair value of the warrant element of the transaction can be derived using a reliable methodology. If broker commissions are applicable, they are deemed a direct transaction cost and so are recognised in the loan balance and unwound of the loan term.

Subsequent to the year end the loan notes have been agreed to be converted in full into ordinary shares (Note 23)

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, 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.

Fair value of options and warrants

Fair value is recognised over the period between the grant date and the date of vesting; if the vesting conditional an estimated date is applied. If the vesting occurs when granted, then the full fair value is recorded on the vesting date.

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.

Foreign exchange translational risk foreign exchange risk related to expenses, assets and liabilities is not actively hedged, however the Group's cash position and foreign exchange exposures are actively managed and monitored

for movements in market conditions.

Residual exposure is present, arising largely from cash and cash equivalents balances that are not in the functional currency of the entity holding these balances.

The impact on the financial statements of the Group from foreign currency volatility is shown below

	Chile Net Assets	Consol Net Assets		
	GBP £	GBP £		
Closing Exchange Rate	(4,533,672)	19,390,448		
GBP Strengthens 10%	(4,121,520)	19,802,600	412,152	Increase
GBP Weakens 10%	(5,037,413)	18,886,706	(503,741)	Decrease

The Group does not consider interest rate and inflation risk to be material to 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, or using Monte-Carlo simulation where appropriate, 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 conforming 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. Uncertainty in estimates that have a risk of causing material adjustment to the carrying amounts of assets and liabilities, within the next financial year, mainly relate to the Group's going concern assessment, as described in Note 2. In addition, judgement is exercised, for example, in assessing impairment criteria are met, or 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 of approximately £0.8 million in Chilean VAT recoverable (2024: £1.8 million). In prior years, due to uncertainty over the timing of recovery, the Directors judged it appropriate to make a full provision against this amount. However, following the successful receipt of a

£1.01 million advance VAT refund in March 2026, the Directors have reassessed the recoverability and timing of the remaining VAT balance. Consequently, management has exercised judgement in determining the appropriate carrying value and the VAT provision associated with historical expenditure, to the extent it is certain it will be realised, has been reversed. No other provision releases have been made, as disclosed in Note 12.

Asset Acquisitions and Contingent Consideration

During the year ended 31 December 2025, the Group acquired the Minergy Licences. Judgement was required to determine that this transaction constituted an asset acquisition rather than a business combination. Furthermore, estimating the fair value of the deferred, milestone-based consideration required management to make assumptions regarding the probability and expected timing of achieving the Special Lithium Operating Contract (CEOL), alongside selecting an appropriate discount rate.

5. ADMINISTRATION EXPENSES

Administration expenses in the year to 31 December 2025 totalled £1.4 million (2024: £3.7 million).

		2025 £ million	2024 £ million
People	Jersey, London & Chile	0.97	0.98
Listing & Compliance	AIM and corporate governance	0.28	0.45
Travel	Conferences, marketing, travel in Chile	0.10	0.21
PR/IR	Includes consulting costs & conferences	0.07	0.38
Legal, finance, tax & audit	Including accounting services	1.10	1.13
Other G&A	Other overhead costs across the group	0.48	0.54
(Gain) / loss on foreign exchange		(1.57)	0.0
Administrative expenses		1.42	3.69

Gains or losses on foreign exchange which are recognised within administration expenses primarily arise from the retranslation of monetary assets and liabilities denominated in foreign currencies at the reporting date and differences realised upon the settlement of international transactions throughout the year.

6. FINANCE COSTS

In addition to foreign exchange gains on financing transactions, finance costs in 2025 reflect a combination of two components: the amortisation charge relating to the unwinding of the deferred consideration £1.3 million (2024: £0.8 million) refer Note 16; and the accrued redemption premium £0.7 million (2024: £0.5 million) at 31-Dec-25 on the Loan Notes refer Note 18.

7. STAFF AND DIRECTORS

	Audited Year ended 31-Dec-25	Audited Year ended 31-Dec-24
Average number of employees and long-term contractors	10	14
Average number of Directors	4	5
Total	14	19

During 2025 the Group's average number of employees decreased as operational requirements reduced and as cost cutting measures have been implemented. Additionally, the number of Directors decreased following the resignation of several directors in August 2025.

Further details of Directors remuneration can be found on in the Directors remuneration section.

8. 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-25 £	Audited Year ended 31-Dec-24 £
Current tax	-	-
Total current tax expense	-	-

Reconciliation of the tax expense

The standard rate of corporation tax in Jersey is nil % (2024: nil %) which differs from the tax rates in foreign jurisdictions as follows: Chile tax rate of 27% (2024: 27%); and U.K. tax rate of 25% (2024: 25%).

Notwithstanding the Group has cost centres in several tax jurisdictions, 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-25 £	Audited Year ended 31-Dec-24 £
Loss before taxation	(2,808566)	(7,242,219)
Tax at the aggregated applicable tax rate of 27% (2024: 27%)	1,490,613	3,454,159
Expenses not deductible for tax purposes	(1,003,151)	(2,053,095)
Losses carried forward on which no deferred tax is recognised	(487,462)	(1,401,063)
Total current tax expense	-	-

Not all losses incurred are allowable for taxation purposes. At 31 December 2025, the Group had £5,529,386 (2024: £4,841,967) of accumulated tax losses. 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.

9. 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 15. 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-2025	Audited Year ended 31-Dec-2024
Loss after taxation (GBP £)	(2,808,566)	(7,242,219)
Basic weighted average number of ordinary shares (millions)	126.61	75.20
Basic loss per share (GBP £)	(0.022)	(0.096)

10. 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.

31 December 2025	Chile £	Rest of World £	Total £
Exploration and evaluation assets	42,108,783	-	42,108,783
Non-current assets	42,108,783	-	42,108,783
Trade and other receivables	1,180,219	59,317	1,239,535
Related party and intra-group receivables	-	-	-
Cash and cash equivalents	12,788	1,824,632	1,837,420
Current assets	1,193,007	1,883,948	3,076,955

Trade and other payables	(138,171)	(38,068)	(176,239)
Related party and intra-group payables	(25,786,862)	25,786,862	-
Provisions and accruals	(199,144)	(622,004)	(821,148)
Loan notes payable	-	(3,086,617)	(3,086,617)
Deferred consideration	(3,013,331)	-	(3,013,331)
Current liabilities	(29,137,507)	22,040,172	(7,097,335)
Deferred consideration (non-current)	(18,697,954)	-	(18,697,954)
Non-current liabilities	(18,697,954)	-	(18,697,954)
Net (Liabilities) / Assets	(4,533,672)	23,924,120	19,390,449

31 December 2024	Chile £	Rest of World £	Total £
Exploration and evaluation assets	32,583,274	-	32,583,274
Non-current assets	32,583,274	-	32,583,274
Trade and other receivables	99,842	61,650	161,492
Cash and cash equivalents	4,029	130,219	134,248
Current assets	103,871	191,869	295,740
Trade and other payables	(468,793)	(213,960)	(682,753)
Related party and intra-group payables	(22,090,197)	22,090,197	-
Provisions and accruals	(148,794)	(410,467)	(559,261)
Loan notes payable	-	(2,185,135)	(2,185,135)
Deferred consideration	(1,686,408)	-	(1,686,408)
Current liabilities	(24,394,192)	19,280,635	(5,113,557)
Deferred consideration (non-current)	(13,815,221)	-	(13,815,221)
Non-current liabilities	(13,815,221)	-	(13,815,221)
Net (Liabilities) / Assets	(5,522,268)	19,472,504	13,950,236

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-2025 £	Audited Year ended 31-Dec-2024 £
Opening balance	32,583,274	13,710,413
Fair value of licence acquisitions	7,173,664	15,278,742
Additions	1,404,740	5,599,236
Impairments	-	(499,293)
Effect of foreign exchange translations	947,106	(1,505,824)
Closing balance	42,108,783	32,583,274

The fair value of licence acquisitions of £7.2 million (2024: £15.3 million) mainly reflects the present value of deferred consideration for licences acquired under the Minergy Licences Purchase Agreement and the historical LV Purchase Agreement (refer Note 16), of which approximately £1.0 million was paid during the period. A further £0.1 million reflects non-cash share-based payments made to staff and contractors, about which further detail is set out in Note 14.

Of the £1.4 million additions (2024: £5.6 million), the majority reflects PFS and resource related expenditures approximately £0.1 million (2024: £0.1 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 15.

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 2025, 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 . While certain immaterial licence parcels at the Viento Andino project were relinquished due to overlapping a national park, this did not impact the resource estimate or represent an impairment indicator;
- determined that further E&E expenditure is planned. While capital allocation is currently prioritised towards the Laguna Verde project, there are no plans to discontinue progression of the other capitalised projects once sufficient capital is sourced;
- not decided to discontinue exploration activity due to there being a lack of quantifiable mineral resource, maintaining confidence that exploration will lead to commercially viable projects; 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.

During the year, the Directors considered specific contextual factors regarding the Laguna Verde project. Firstly, regarding a legal claim resulting in a judicial lien over the shares of the subsidiary CleanTech Laguna Verde SpA, the Directors concluded this does not constitute a forfeiture of ownership or control, nor does it impact the economic benefits which accrue to Atacama Salt Lakes SpA, and therefore does not represent a diminution in carrying value. Secondly, the exclusion of the surface lagoon from the Government's published CEOL Polygon was assessed; as the surface lagoon accounts for an immaterial portion of the total resource (approximately 78k tonnes of the 1.9m tonnes of LCE) and does not impact the project reserves or economic viability, no impairment was deemed necessary.

Based on the above assessment, the Directors concluded that there is no indication of impairment for any of the Group's E&E assets in 2025. (2024: full impairment of the Llamara project carrying amount of approximately £0.5 million).

The Directors also considered the DLE pilot plant, which was commissioned in 2024 to support all mining projects. The Directors concluded that the Pilot Plant remains in a testing and evaluation stage of its development, and therefore the expenditure continues to be appropriately classified within E&E assets.

12. TRADE AND OTHER RECEIVABLES

Trade and other receivables	Audited As at 31-Dec-2025 £	Audited As at 31-Dec-2024 £
Prepayments and deposits	51,084	125,058
VAT	1,154,564	21,038
Other receivables	33,887	15,396
Total	1,239,535	161,492

Prepayments and deposits largely reflect prepayments with respect to capital projects in Chile and prepaid insurance and other commercial subscriptions which renew variously and annually as well as office rental deposit amounts paid.

VAT shows a balance of approximately £1.15 million at 31 December 2025 (2024: £21,000). In prior years, due to uncertainty over the timing of recovery, the Directors had judged it appropriate to make a full provision against the Chilean VAT recoverable. However, following the successful receipt of a £1.01 million advance VAT refund in March 2026, the Directors reassessed this position. The VAT provision associated with historical expenditure, to the extent it is certain it will be realised, has been reversed, driving the increase in the current year balance. No other provision releases have been made.

Accordingly, a net provision release of approximately £1.0 million has been reflected in the income statement for the year ended 31 December 2025 (2024: £0.8 million provision charge).

Other receivables comprise multiple smaller working capital balances.

13. SHARE CAPITAL

Share capital

During the prior year, with effect from 27 November 2024, the Company's shares in issue were consolidated on a 2 : 1 basis, such that the nominal price per share increased from 1p to 2p and the number of shares in issue

halved. The consolidation also represented an adjustment event for the purposes of all warrants and share options in issue, regardless of whether they have vested or not. In the case of each instrument, the subscription price for each option or warrant doubled, whilst the number of options or warrants in issue was halved. Any fractional shares arising from the consolidation were grouped and separately sold; the combined value of the fractional shares sold was less than £5.

The shares shown in the table below are shown on a post-consolidated basis for comparability purposes.

	Number of shares Shown on a post-consolidation basis	£
At 1 January 2024	72,581,163	26,310,625
Fundraise shares issued	11,363,633	2,500,000
Commissions on fundraise shares issued	-	(260,861)
Equity settled transactions	290,877	63,993
Options & Warrant shares fair value adjustment	-	(169,768)
At 31 December 2024	84,235,673	28,443,989
At 1 January 2025	84,235,673	28,443,989
Fundraise shares issued	117,899,876	7,366,125
Commissions on fundraise shares issued	-	(246,140)
Equity settled transactions	801,217	101,628
Options & Warrant shares fair value adjustment	-	(3,447,279)
At 31 December 2025	202,936,766	32,218,322

In 2024, £2.5 million was raised through issuing new ordinary shares and approximately £64,000 of consultant and supplier balances were settled through the issuance of new ordinary shares. In addition, approximately £0.3 million was offset by fundraising commissions.

14. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Short-term borrowings £	Total £
At 1 January 2024	-	-
Proceeds	2,070,013	2,070,013
Cash	2,070,013	2,070,013
Interest	115,122	115,122
Non-Cash	115,122	115,122
31 December 2024	**2,185,135**	**2,185,135**
At 1 January 2025	2,185,135	2,185,135
Repayments	(113,189)	(113,189)
Cash flows	(113,189)	(113,189)
Interest	1,014,671	1,014,671
Non-Cash	1,014,671	1,014,671
31 December 2025	3,086,617	3,086,617

15. SHARE OPTIONS AND WARRANTS

Impact of Share Consolidation

During 2024, with effect from 27 November 2024, the Company's shares in issue were consolidated on a 2:1 basis. This represented an adjustment event for all warrants and share options in issue. Accordingly, the number

of instruments in issue was halved, and the exercise price for each instrument was doubled. The figures presented for the year ended 31 December 2025, and the opening balances, reflect this post-consolidation basis.

Share Options

	Audited Year ended 31-Dec-25 #	Audited Year ended 31-Dec-24 #
Outstanding at start of period	3,753,500	4,085,997
Granted	5,000,842	-
Exercised / forfeited / relinquished	(2,216,502)	(332,497)
Outstanding at end of period	6,537,840	3,753,500

Share options granted are subject to various vesting conditions.

		Audited Year ended 31-Dec-25 #	Audited Year ended 31-Dec-24 #
IPO share options		-	1,450,000
Performance related options	Milestone 1 (see note below: M1)	409,166	633,333
Performance related options	Milestone 2 (see note below: M2)	332,666	450,833
Performance related options	Milestone 3 (see note below: M3)	332,666	450,833
Performance related options	Milestone 4 (see note below: M4)	85,000	85,000
Performance related options	Milestone 5 (see note below: M5)	85,000	85,000
Performance related options	Milestone 6 (see note below: M6)	800,000	-
Performance related options	Milestone 7 (see note below: M7)	800,000	-
Performance related options	Milestone 8 (see note below: M8)	800,000	-
Performance related options	Milestone 9 (see note below: M9)	800,000	-
Performance related options	Milestone 10 (see note below: M10)	800,000	-
Non-Executive Director Options	Time (see note below: time)	42,500	348,500
Other contractor options	Fully vested nominal-cost options	1,250,842	250,000
Share options outstanding at end of the year		6,537,840	3,753,500

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 2023.
M2	This vesting condition is met when the Board agrees to the publication of a Pre-Feasibility Study (PFS). This condition is met in 2026.
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).
M4	This vesting condition is met upon the award of a CEOL for the Laguna Verde asset.
M5	This vesting condition is met when an EIA is awarded on the Laguna Verde asset.
M6	This vesting condition is met when the Board agrees to the publication of a Definitive Feasibility Study (DFS).
M7	This vesting condition is met when the RCA environmental permit is awarded for the Laguna Verde Project.
M8	This vesting condition is met when the financing is in place to commence construction for production.
M9	This vesting condition is met when commercial production is started.
M10	This vesting condition is met when share price reaches 70p for 20 consecutive days.
Time	Refers to annual anniversary time vesting points.

All share options and warrants are granted in the Company's name.

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 charge in the period for shares options for share options issued in the period is estimated using the Black Scholes option pricing model with the following assumptions:

	Share Options
Fair value of call option per share	£0.05
Share price at grant dates	£0.06
Exercise price	£0.02-£0.06
Expected volatility	161%
Vesting period	5.0 years from vesting
Risk-free interest rate (based on government bonds)	3.79% - 4.53%

The total share option fair value charge for year ended 31 December 2025 is £196,813 (£463,002 in 2024), of which £144,345 has been recorded in the income statement as a non-cash expense; the balance has been recorded within E&E.

Warrants

All warrants granted have vested with the exception for those granted on 1 September 2025, which vest on the first anniversary of the grant date.

	Audited Year ended 31-Dec-25 #	Audited Year ended 31-Dec-24 #
Outstanding at start of period	16,242,961	13,095,344
Granted	125,119,173	3,147,614
Exercised / forfeited / relinquished	(473,140)	-
Outstanding at end of period	140,888,994	16,242,958

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 of warrants 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, the fair value charged equity reserve for warrants issued in the period has been based on the following assumptions.

	Warrants
Fair value of call option per share	£0.05
Share price at grant dates	£0.06 - £0.13
Exercise price	£0.05 - £0.16
Expected volatility	132% - 161%
Vesting period	3.0 - 5.0 years from vesting
Risk-free interest rate (based on government bonds)	4.2% - 4.53%

The total warrant fair value charge for year ended 31 December 2025 is approximately £3,727,860 (2024: £693,315) of which £280,581 has been recorded in the income statement as a non-cash expense; the balance has been recorded within share capital. In addition to the £280,581 noted above, is £259,622 which relates to the amortisation of the remaining portion of the fair value of warrants issued with the loan notes in June 2024.

16. DEFERRED CONSIDERATION AND LICENCE ACQUISITIONS

During 2024, CleanTech Laguna Verde SpA, a wholly owned Chilean subsidiary of CleanTech Lithium Plc, entered into a sale and purchase agreement (LV Purchase Agreement) to acquire 100% legal and beneficial interest in the mining licences historically held by CleanTech under option under the terms of the LV Option Agreement. The LV

Purchase Agreement had the effect of terminating the LV Option Agreement, which previously governed CleanTech Lithium's interest in those licence blocks.

Pursuant to the LV Purchase Agreement, the consideration payable comprises fixed payments totalling US$10.5 million, which are scheduled to occur at various annual and semi-annual milestone periods over a period of up to 5 years from the date of the LV Purchase Agreement, and two deferred payments, together totalling US$24.5 million, scheduled to occur upon sold production reaching 10k tonnes of LCE and 35k tonnes of LCE respectively or on the 10th anniversary of the date of the LV Purchase Agreement, whichever is the earlier.

As of 31 December 2025, the Group has settled the first milestone payment. The second milestone payment, which was originally due in October 2024, and the third milestone payment, due in October 2025, remain outstanding. While the vendors had previously agreed to a temporary deferral of the second milestone payment, the Directors were made aware in December 2025 that the vendors had initiated a legal claim seeking its settlement and a judgement from those proceedings was passed which awarded a lien over the issued share capital. The lien acts as a form of security instrument to the vendors but does not impact the Group's control over the shares, other than preventing sale. The Directors, having received legal advice, consider that the legal notice pertaining to this claim was improperly served for several procedural failings and have submitted a petition to have the proceedings and judgement annulled. Notwithstanding these proceedings, the Directors formally acknowledge that the second milestone payment is due and intend to settle this obligation at the earliest practical and mutually beneficial opportunity. Subsequent to the year end, the Group has conditionally raised gross proceeds of approximately £5.375 million (refer Note 23) which can be used to settle the legal claim. Under the terms of the LV Purchase Agreement, a reversionary interest mechanism applies from the third milestone payment onward. In the event the vendors chose to trigger that mechanism in respect of an overdue milestone payment, a 49% non-controlling interest in CleanTech Laguna Verde SpA would be awarded. The reversionary interest mechanism has not been triggered.

During the year ended 31 December 2025, the Group's wholly owned subsidiary, CleanTech Laguna Verde Dos SpA, entered into a sale and purchase agreement to acquire the Minergy Licences (Minergy Purchase Agreement). Pursuant to this agreement, the total consideration payable is US$14.0 million. This comprises initial payments totalling US$2.0 million-of which US$0.98 million was paid upon or shortly after signature, a second milestone payment of US$1.02 million was made 9 months after signature. The remaining US$12.0 million comprises deferred long-term payments scheduled to occur 36 months after signature or upon reaching Final Investment Decision (FID), and upon sold production reaching 10,000, 20,000, and 40,000 tonnes of Lithium Carbonate Equivalent (LCE). These production milestones are subject to fixed long-stop dates between December 2031 and December 2035.

The carrying value for the licences acquired pursuant to both the LV Purchase Agreement and the Minergy Purchase Agreement have been designated as asset acquisitions in accordance with the Group accounting policy and assigned a fair value in accordance with the principles of the UK IASs. Similarly, the Group has assigned a fair value to the deferred consideration associated with the acquisitions, which is allocated between current and non-current liabilities.

In assessing the appropriate basis on which to determine the fair value of the non-current component of the deferred consideration associated with the LV Purchase Agreement, the Directors have used a discount rate of 8% which they believe is reflective of the factors that market participants would consider in the pricing of such a liability as well as the currency in which the cashflows are denominated. This is consistent with the requirements of IFRS 13 - Fair Value Measurement.

As described above, the two final payments of the deferred consideration under the LV Purchase Agreement, totalling USD$24.5m, are required to be made upon achieving certain production milestones, but in any event, are required to be made within 10 years of execution of the LV Purchase Agreement. Due to the uncertainties surrounding the timing of achieving the production milestones, the Directors have assumed that the remaining two payments will be made on the 10th anniversary of signing the LV Purchase Agreement.

As the deferred consideration obligations under both the LV Purchase Agreement and the Minergy Purchase Agreement are denominated in United States Dollars (USD), their reported carrying values are sensitive to foreign exchange movements. At each reporting date, the USD-denominated liabilities are revalued into the functional currency of the respective Chilean subsidiaries (CLP), with resulting exchange gains or losses recognised in the income statement. On consolidation, these balances are subsequently translated into the Group's presentation currency (British Pounds, GBP). Consequently, fluctuations in the GBP/USD/CLP exchange rates will directly impact the final reported value of these liabilities.

At 31 December 2025, the total deferred consideration recognised within current liabilities reflects those obligations due for settlement within 12 months of the reporting date. This balance specifically comprises the outstanding second and third milestone payments under the LV Purchase Agreement, alongside the US$1.02 million short-term milestone payment associated with the Minergy Purchase Agreement.

	Year ended 31-Dec-25	Year ended 31-Dec-24
	£	£
Deferred consideration, current	(3,013,331)	(1,686,408)
Deferred consideration, non-current	(18,697,954)	(13,815,221)
Total	(21,711,285)	(15,501,629)

17. PAYABLES, PROVISIONS AND ACCRUALS

	Year ended 31-Dec-25	Year ended 31-Dec-24
	£	£
Trade and other payables	(176,239)	(471,672)
Provisions	(72,848)	(95,182)
Other taxes and social security	(28,434)	(69,880)
Accruals	(719,866)	(605,280)
Total	(997,387)	(1,242,014)

Trade and other payables include routine trade creditors. Accruals include routine accruals for professional services rendered not invoiced at period end. In addition, remuneration which the Directors have agreed to defer has been included.

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.

The 'Other taxes and social security' balances largely reflect remuneration costs and associated taxes at the period end.

18. LOAN NOTES

Original loan notes

On 30 June 2024, the Company executed a GBP £ loan note instrument and an AUD $ loan note instrument pursuant to which it issued loan notes to subscribers to raise A$3.995 million, approximately £2.1 million, to finance working capital and costs associated with ASX admission. In addition, the Loan Note holders were granted a total of 4,380,181 warrants valued at approximately GBP £506,000 at the date of grant.

The Loan Notes originally had a maturity date of 30 June 2025 and were non-interest bearing, although a premium was payable on redemption. At 31 December 2024, the premium on par value was 25%, which was scheduled to increase to 50% if the Loan Notes were redeemed between ten and twelve calendar months from the date of their grant.

Pursuant to the Loan Note instrument, the Company granted the note holders a first ranking charge over all the assets and undertakings of the Company and the entire issued share capital of CTL UK.

2025 Restructuring and Modification

On 11 August 2025, the Company announced a restructuring of the Loan Notes, which was subsequently approved by shareholders at a General Meeting on 29 August 2025 under the following revised terms

- The maturity date for the Loan Notes was extended to 30 June 2026
- The existing premium and fees payable on the Loan Notes were capitalised into the principal balance.
- The loan notes are to be settled at the earlier of the maturity date (30 June 2026) and or the completion of a fundraising event.
- A conversion right was introduced, allowing the Noteholders to convert the Loan Notes into ordinary shares at £0.05 for the GBP loan notes and £0.05 translated at a rate of AUD $2.0455 per share for the AUD $ loan notes, at any time prior to maturity, as an alternative to cash repayment.
- The Noteholders were collectively granted the right to appoint a non-voting Board observer until the Loan Notes are repaid in full.
- The loan notes have a redemption premium of 12% payable on maturity

From an accounting perspective, the restructuring and the introduction of the conversion feature constituted a substantial modification of the original financial liability under UK IAS (IFRS 9). Accordingly, the original Loan Note liability (including the remaining unamortised broker commissions and 2024 warrant fair values) was derecognised, and the new convertible Loan Notes were recognised at fair value.

Furthermore, the addition of the conversion option required the restructured notes to be treated as a compound financial instrument in accordance with IAS 32. The carrying value of the new restructured Loan Note liability is amortised using the effective interest method over the extended term to 30 June 2026. The accounting treatment for recognition is discussed below for each instrument:

- The GBP loan note instrument (under which notes with a principal value of £689,445 were issued) has a conversion feature which meets the definition of *fixed-for-fixed* and because there is no difference in the denomination of the notes and the reporting currency of CleanTech, therefore the conversion feature is designated as being equity. As the equity element is not material to the financial statements and conversion has occurred subsequent to the year-end no presentational adjustment has been made.
- The AUD loan note instrument (under which notes with a principal value of AUD $4,813,790 were issued) has a conversion feature which fails the *fixed-for-fixed* criteria because the AUD denomination creates a variable functional currency. A fair value of this derivative liability was calculated using a Black Scholes model. The key assumption was the volatility in the AUD:GBP foreign exchange rate of 9%. The fair value of the derivative at inception was approximately £346,000 and at year end was approximately £139,000.

Subsequent to the year-end (Note 23), all Loan Notes were converted into equity.

19. 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.

20. 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 is in a pre-revenue 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. During the year ended 31 December 2025, the Directors actively managed the capital structure through the issuance of new equity and the successful restructuring of the Group's loan note facilities.

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 externally imposed regulatory capital requirements.

21. RELATED PARTY TRANSACTIONS

Other than contractual remuneration, there were no related party transactions in either 2024 or 2025.

22. SUBSIDIARY UNDERTAKINGS

At 31 December 2025, 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
CleanTech Chile SpA	Chile	Wholly owned by CleanTech Lithium Ltd

CLS Chile SpA	Chile	Wholly owned by CleanTech Chile SpA
CleanTech Atacama SpA, formerly Laguna Negro Francisco SpA	Chile	Wholly owned by CleanTech Chile SpA
Atacama Salt Lakes SpA	Chile	Wholly owned by CleanTech Chile SpA
CleanTech Laguna Verde SpA	Chile	Wholly owned by Atacama Salt Lakes SpA
CleanTech Laguna Verde Dos SpA	Chile	Wholly owned by Atacama Salt Lakes SpA
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 Chile SpA

CleanTech Lithium Ltd acts as holding company for CleanTech Chile SpA, which itself acts as holding company for the Chilean entities and additionally acts as 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.

23. SUBSEQUENT EVENTS

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

- On 10 March 2026, the Company announced that terms had been agreed for the CEOL for the Laguna Verde project.
- On 17 March 2026, the Company announced the settlement of historical deferred fee liabilities through the issuance of new ordinary shares, undertaken as part of the Group's proactive cash preservation measures.
- On 23 March 2026, the Company announced the successful receipt of a £1.01 million advance of VAT refund in Chile. As detailed in Note 12.
- On 31 March 2026, the Company announced the publication of its PFS for the project, triggering an accelerated strategic partner selection process.
- On 22 April 2026, the Company announced a criminal complaint had been filed by the LV Vendors with all allegations denied.
- In April 2026, Todd Ross as Australian resident was appointed to the board of directors in anticipation of a dual listing on the ASX.
- In June 2026, Leo Koot was appointed to the board in June 2026 following a period acting as observer on behalf of the loan note holders.
- On 4 and 5 June 2026, the Group announced the that it had conditionally raised approximately £4.8 million in gross proceeds and that conditional on admission to trading on AIM of the first tranche of the shares pursuant to that fundraise, that the Loan Note holders had agreed to convert the principal and the premium which would have accrued up to 30 June 2026 (being the maturity date) would fully converted into equity through the issuance and allotment of new ordinary shares.
- On 10 June 2026, the Company announced that a further £0.6 million was raised via a retail offering, which will also be subject to shareholder approval.

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