CleanTech Lithium Plc

Interim Financial Results

Six months to 30 June 2024

Contents

CHAIRMAN AND INTERIM CEO REVIEW

The following review is a look back at the highlights from the first half of 2024:

Business Strategy

CleanTech Lithium continues to make great strides in meeting the objective of becoming a leading supplier of battery-grade lithium carbonate to support the world's transition to clean energy. The progress made towards building sustainable lithium projects in Chile where the Company is planning to use Direct Lithium Extraction ("DLE") powered by renewable energy directly addresses the Chilean Government's ambition to drive positive change in sustainability and social and economic development.

The 'National Lithium Strategy', proposed by the President of Chile in late April 2023, aims to ensure Chile remains a top producer and supplier of lithium – a critical component for batteries in Electric Vehicles and energy storage systems ("ESS"). The established mining jurisdiction is currently the largest supplier of copper in the world and one of the largest suppliers of battery grade lithium. To move to a world run on clean energy, new lithium projects are needed, and Chile has the established infrastructure, industry expertise and workforce to bring projects like CleanTech Lithium's into production in the next few years.

New projects must be built in the right way and the Government has prescribed the use of DLE (or similar sustainable technologies) for all new lithium development projects going forward. CleanTech Lithium's strategy is to play a significant role in assisting the Chilean government to achieve this ambition. The Company believes it is most the advanced development stage DLE company operating in Chile and the achievements made in the first half of 2024 is evidence of this. It is very encouraging to see the Company's DLE Pilot Plant producing samples of battery-grade lithium carbonate which will soon be tested by potential strategic partners.

The Company's business strategy is focused on delivering long-term sustainable growth and returns for all stakeholders, built on four pillars:

- develop the Company's advanced lithium projects (Laguna Verde, Viento Andino) and progress the early-stage exploration projects (Arenas Blancas and Llamara) in Chile;
- utilise innovative technologies, including DLE and, where possible, renewable energy to sustainably produce lithium carbonate;
- produce commercial battery-grade lithium carbonate with high lithium recoveries and short production time; and
- supply directly into the EV and battery storage market via strategic partners and offtake agreements.

To this end, the Company's immediate objectives are as follows:

- update the JORC resource estimate for Laguna Verde on completion of the 2024 drilling campaigns and declare a maiden reserves estimate;
- complete planned hydrogeological studies and metallurgical tests at Laguna Verde, including completing a new reinjection well and pump tests to provide the data required to further advance modelling of the sub-surface aquifer and design the extraction and reinjection wellfields;
- deliver a Pre-Feasibility Study ("PFS") at the Laguna Verde Project and commence the Definitive Feasibility Study ("DFS") soon afterwards;
- complete the process test work at the DLE Pilot Plant and make battery grade lithium carbonate available for supply to potential offtake and strategic partners to start product qualification;
- continue the required work to complete the environmental baseline studies that commenced in 2022 and undertake the studies required to enable submission of the EIA in 1H 2025;
- enter into a Special Lithium Operation Contract (CEOL) with the Chilean State in relation to the Laguna Verde and Viento Andino Projects to commercially sell lithium;

- continue to collaborate with the local indigenous communities, universities and other local stakeholders to ensure long-term support for the projects, and

- enter into substantive discussions with potential offtake and strategic partners with a view to reaching agreement on a future business relationship, including establishing a funding package for the construction phases of the Laguna Verde Project, including equity participation, debt and other structures, to bring the project on stream and start selling lithium carbonate at the earliest possible opportunity.

Summary of Company Activity

In the first six months of the year, CleanTech Lithium made further progress toward delivering its PFS. This included commencing a five-well drilling programme at Laguna Verde, the commissioning of its DLE pilot plant and first production of highly concentrated eluate for further processing to make battery-grade lithium carbonate. The PFS is instrumental to support discussions with potential strategic partners. The Company is also seeking to dual-list on the Australian Securities Exchange ("ASX"). Although the Company announced an extension to the ASX IPO timetable on 20 September 2024, to allow it to address some procedural matters raised by ASX, the intention remains to complete the IPO before the year end. An associated capital raise is planned to enable completion of the PFS and continuance of other work programmes. Notwithstanding, the Company continues to consider its funding options on an ongoing basis as a part of its normal practice.

Operations

Health and Safety

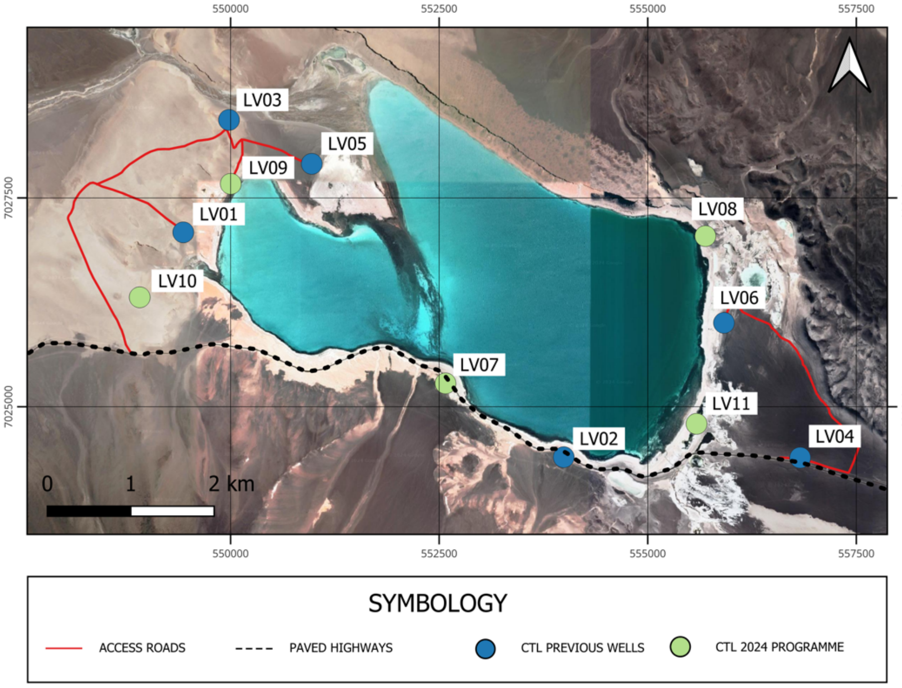
The Company maintains a zero-harm safety culture focused on continuous improvement to achieve an injury free and healthy work environment, with no lost time incidents ("LTIs"), major incidents, or near misses reported in the first half of 2024.

Five-Well Drilling Programme at Laguna Verde

The Company commenced a five well drilling programme at Laguna Verde 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 was designed in collaboration with Montgomery & Associates, a leading international hydrogeology and resource evaluation consultancy.

The drill programme began in Q1 2024, with the commencement of wells LV07 and LV11 and suspended in May on the onset of the winter shut-down period, with the plan to recommence in October. The programme will also include additional pump testing and reinjection testing in Q4 2024 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 Laguna Verde. Montgomery & Associates have been engaged to manage the drill programme, JORC resource and reserves reporting and design of the extraction and reinjection wellfields.

Laguna Verde is the Company's most advanced project and has a total JORC resource of 1.8 million tonnes LCE, of which 1.1 million is in the Measured and Indicated category. Laguna Verde's Scoping Study, announced in January 2023, highlighted robust economics, with an NPV_8 of US$1.8bn, an IRR of 45.1%, net cashflows of US$6.3 billion and a low operating costs of US$3,875/t for 30 years of production at 20,000 tpa LCE.



Drilling programmes at Laguna Verde since 2022

DLE Pilot Plant Commissioning and Production

The Company´s one-tonne per month DLE pilot plant (supplied by Sunresin) is located in Copiapó, Chile, approximately 250km from Laguna Verde, and finished commissioning in late March. At the R&D centre where the pilot plant is located, brine from the Laguna Verde project is stored in a large 243,000 litre vessel outside the pilot plant and then fed into an indoor tank having passed through filtration to remove suspended solids. It is then fed into the DLE columns shown in the image below, which are filled with adsorbent designed to be selective for lithium molecules. Lithium, as lithium chloride, is adsorbed from the brine, before desorption with water to create a purified lithium chloride eluate.

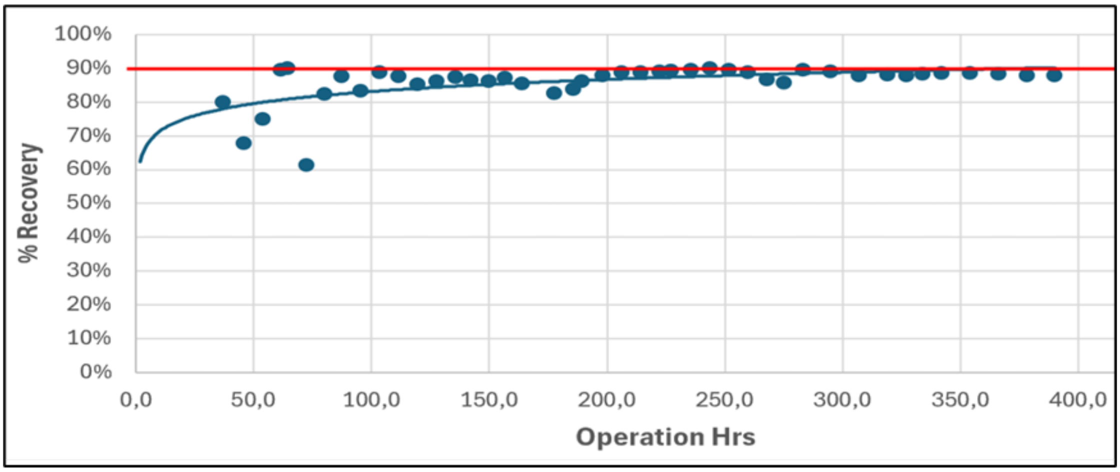
DLE Pilot Plant at R&D Centre in Copiapó, Chile (30 x approx. 3m columns to produce up to 1 tonne per month of LCE)

Testing of a wide range of commercially available adsorbents identified that the adsorbent supplied by Lanshen performed the best on the Laguna Verde brine resulting in the selection of this adsorbent. The DLE Pilot Plant commenced operation in

Q2 2024, producing high quality concentrated eluate. In May, the Company reported the key DLE performance metrics for the first batch of $24m^3$ of concentrated eluate produced at the pilot plant. The recovery of lithium from the brine was 94% in the adsorption stage and 88% into the eluate. The lithium grade in the feed brine of 197mg/L was concentrated to 710mg/L in the eluate, or a 3.6X concentration factor. These results exceeded the Company's expectations. The eluate was further concentrated by reverse osmosis to 2,194mg/l.

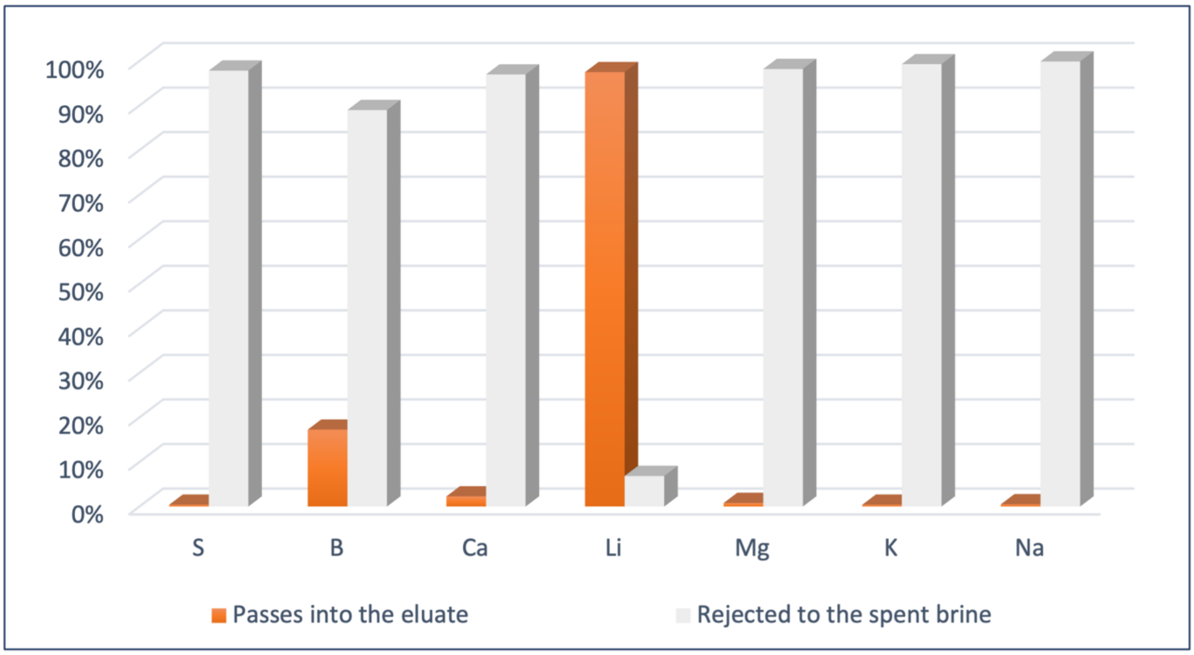
For the first stage of production, a total volume of $1{,}196m^3$ of brine from the Laguna Verde Project was processed at the DLE pilot plant with a total of 14 cycles completed. Each cycle represents a volume of brine being fed first through filtration to remove suspended solids, then into DLE columns which are filled with adsorbent designed to be selective for lithium molecules. Lithium, as lithium chloride, is adsorbed from the brine, before desorption with water to create a purified lithium eluate.

Averaged across the 14 cycles, the recovery rate achieved by adsorption of lithium from the brine was 95% and the recovery rate of desorption from the adsorbent was 93%. The total recovery rate into eluate averaged 88% and was highly consistent as shown in the figure below. The temperature of the brine and desorption water, using the average ambient temperature in Copiapó during the March to June period of operation, was in the range of 20ºC to 25ºC indicating that good performance was achieved without the need to heat solutions in either adsorption or desorption.



Pilot Plant Total Recovery Rate

The eluate production rate was relatively stable after the initial ramp up period achieving an average of 2.8 kg LCE per hour demonstrating that the design capacity of the pilot plant of 1 tonne LCE per month was comfortably achieved. Selectivity of the adsorbent is another key performance parameter for a DLE operation. DLE primarily acts as a purification stage, recovering lithium chloride from the brine whilst rejecting other impurities. For all the major ions in the brine, apart from boron, the rejection rate was very high, exceeding 99%.



DLE Performance – Rejection of Major Impurities

The downstream conversion of lithium chloride solution to battery grade lithium carbonate is well established in the lithium industry. Rather than spending capital on constructing a lithium carbonate conversion plant, the Company decided to partner with Conductive Energy, an Alberta, Canada company to undertake this conversion at its existing facility in Chicago.

An initial 200L batch of concentrated eluate, was shipped to Conductive Energy in May. This batch was used as a trial before setting up the conversion process that would be used for processing larger volumes of eluate produced by our DLE pilot plant into battery grade lithium carbonate. Conductive Energy completed the set-up test-work producing lithium carbonate of 99.75% purity which is battery grade. This process comprises concentration of the concentrated eluate to 18,000mg/l Li by forward osmosis followed by ion exchange to remove the trace impurities of calcium, magnesium and boron and then carbonation with sodium carbonate to produce battery grade lithium carbonate.

On completion of this trial, the Company subsequently shipped batches of concentrated eluate from the pilot plant, with a total of 88m^3 shipped by late July, which is equivalent to approximately one tonne of lithium carbonate.

The downstream plant is being commissioned with lithium carbonate production expected in October 2024. This will provide the Company with the capacity to supply significant quantities of battery-grade lithium carbonate samples to potential strategic partners and offtakers to commence product qualification.

Pilot Plant Inauguration

In May, the DLE pilot plant was officially inaugurated in Copiapó with a ceremony attended by various regional authorities, indigenous community leaders, academics, and business representatives. Attendees at the ceremony included the Presidential Delegate of the Atacama Region, Luis Pino, Regional Councillor Javier Castillo; CORFO Director Rosa Roman, CORPROA President Andres Rubilar; miners' union president Joel Carrizo; indigenous community representatives Christian Milla and Ercillia Araya.

DLE Pilot Plant Inauguration May 2024

DLE inauguration event May 2024 with Steve Kesler, Executive Chairman and Interim CEO and Ercilia Araya, President of the Colla-Ote community

Pre-Feasibility Study at Laguna Verde

The PFS will define the optimal configuration for the Laguna Verde project, paving the way for a DFS and discussions with strategic partners. Data from the DLE pilot plant and the drilling and field programmes are being incorporated into the PFS which is being led by Worley, an international engineering services company, from their Santiago office.

As part of that process, in July, Worley completed a plant location study, and CTL has engaged various consultants to conduct studies on port access, water supply, power access and lithium market dynamics. The plant location study identified the ideal configuration for a production facility capable of generating 20,000 tonnes of battery-grade lithium carbonate per annum. This provided a trade-off analysis between locating the entire plant at Laguna Verde versus splitting plant facilities between Laguna Verde and the nearby mining centre of Copiapó. The option of locating the DLE plant and eluate concentration stages at the Laguna Verde site, and the carbonation plant at Copiapó was highly favourable, resulting in the decision to proceed with this option. A concentrated eluate with 6% lithium, the maximum concentration before lithium salts begin to precipitate, will be transported to Copiapó for impurity removal and carbonation stages. This configuration results in a minor increase in volumes transported while taking advantage of Copiapó's well-developed infrastructure and better access to a skilled workforce. According to the plant design, approximately 70% of the operational workforce will be employed at the carbonation plant, therefore locating it in Copiapó provides major advantages in hiring a local work force including diversity outcomes such as greater female participation, while contributing to the local economy. The footprint at the project site, which is at 4,300m above sea level, will be greatly reduced, from power supply, storage, camp and plant facilities, construction phase impacts, and environmental impacts.

The carbonation plant in Copiapó would eventually be expanded to also treat concentrated eluate from the Viento Andino project.

Corporate Developments

Special Lithium Operating Contracts (CEOLs)

Following the declaration of the National Lithium Strategy in April 2023, the Government clarified that it would seek majority control of strategic lithium assets in the Salar de Atacama and Salar de Maricunga but that non-strategic salars could be developed by private sector interests without the need for state company participation. As a result, the Chilean Government requested that the Company withdraw its initial application for CEOLs for Laguna Verde and Viento Andino (formerly Francisco Basin) and apply through the new formal process. CTL´s project areas were defined as non-strategic and the Company entered the process in June 2024 on a 100% ownership basis for Laguna Verde and Viento Andino. Applications for RFIs has also been made for three other lithium prospects in joint ventures with other parties which are currently subject to confidentiality.

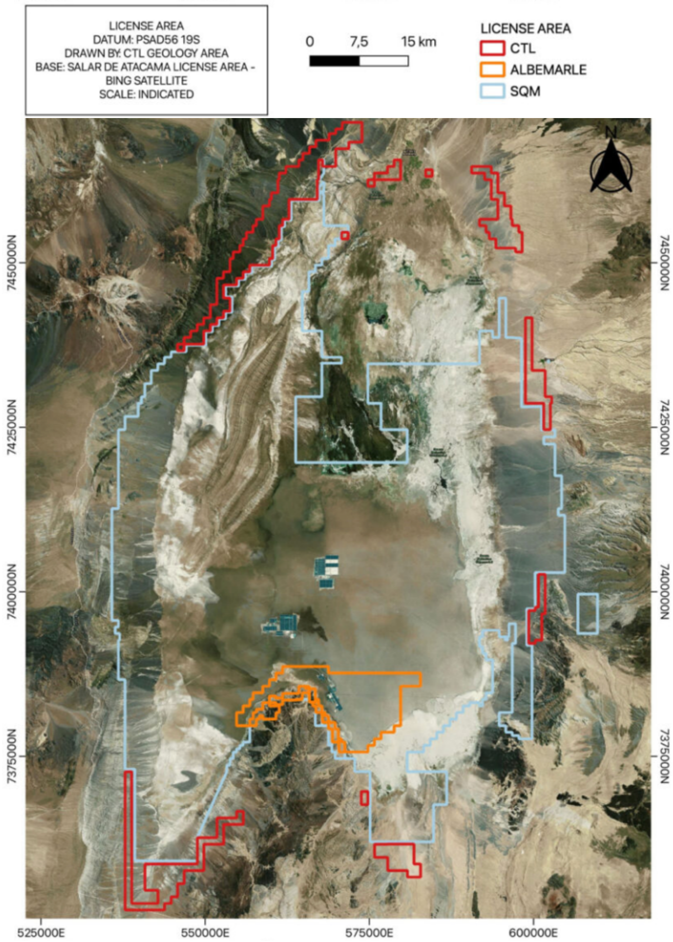
The Government provided a further update to the CEOL application process at the end of September, prioritising six salt flats for lithium development including Laguna Verde, the Company's flagship project, as having the most favourable conditions to advance lithium exploration and extraction. The Government is expected to announce a further update later this year on additional salt flats for lithium development. The Ministry of Mining will award one CEOL per salt flat with companies only considered if they meet certain criteria. CTL´s Expressions of Interest ("**RFI**") application directly addressed each of these key criteria and as the Company has a dominant licence position in the Laguna Verde basin it is the only Company that meets the mining concession area requirement. The criteria set out by the Government recognises the status of the Company´s progress at the Laguna Verde project and puts in place a clear path to award a CEOL and the project's development into production, which is targeted for 2027.

The Chilean Government will now commence indigenous community consultations related to these six salars. Additional to other criteria, CTL has developed a strong relationship with indigenous communities located in the surroundings areas, based on early engagement including a collaborative alliance signed in December 2023 to co-design the project´s EIA. The Company is also working with the regional University to promote local opportunities for future projects. The next stage of the CEOL process is for companies to submit CEOL applications by December 31st 2024.

Acquisition of Laguna Verde Licences

In April 2024, the Company completed the acquisition of 23 Laguna Verde licences, previously subject to an option agreement. This now gives the Company full ownership and control over all 108 mining licences within Laguna Verde. The Board believes this acquisition enhances potential returns to shareholders and de-risks the project as it advances. Full ownership of these licences has also facilitated the planned ASX listing.

Renaming of Francisco Basin and Salar de Atacama



In June the Company announced it had renamed the Francisco Basin project as Viento Andino. This was to clarify the project is located outside a nearby national park of a similar name. During the period, the Company also announced the Salar de Atacama licences have been renamed the 'Arenas Blancas' project to recognise that these fall outside of the Salar de Atacama area considered by Government as ´strategic´ to be controlled by the State entity Codelco. These Arena Blanca licences are shown here.

Map of licence areas in Arenas Blancas

ESG and Community Engagement:

In January, the Company hosted an international seminar at the Universidad de Atacama titled "Lithium: Global Challenges. Local Issues, Decarbonization, Sustainability and Participation" brought together renowned international academics and industry leaders to explore the crucial role lithium plays in global decarbonization and the transition to a green economy.

The Company has also partnered with the University of Atacama, which has seen the installation of the Company's laboratory DLE carousel on the campus. This initiative allows students to conduct their own testing and research, supporting the development of a workforce for the future and regional economic development.

Post-period end, CTL participated in the Centre for Copper and Mining Studies ("CESCO") seminar in Santiago, a prominent annual seminar for the mining sector in Chile and received public support from the local indigenous community for its Laguna Verde project. Local and national media covered the endorsement made by the President of Colla-Ote Communities, Ercilia Araya, as seen in the press cutting below. At the seminar the Company stated if the Government want to see three to four new lithium projects in construction by 2026, Laguna Verde can be one of these projects. To achieve this, the Company continues it engagement with the Chilean Government as part of the CEOLs applications and in a timely manner for the EIA permitting process.

President of the Colla-Ote Community publicly endorses CleanTech Lithium's Laguna Verde project at CESCO Seminar, August 2024

The Company remained a signatory of the UN Global Compact aligning with the 10 guiding principles. The annual 'Communication of Progress' report was submitted in May 2024.

ASX dual-listing:

On 20 September the Company announced an extension to the Australian Securities Exchange ("ASX") IPO timetable to allow it to address certain procedural matters raised by ASX. Although it is expected the ASX IPO will complete prior to the year-end, there can be no certainty over the timing. Consequently, as a part of normal practice, the Board continues to consider other available funding options to provide the necessary ongoing working capital and to maintain progress on the Company's various capital programmes as described above.

The ASX is a natural fit as a dual-listing for CTL given the high proportion of its shareholder base designated as Australian domiciled; that base includes Regal Funds as a significant sharesholder which holds approximately 15% of the Company's shares in issue.

It is clear that an Australian listing will broaden the shareholder base, increase the Company's profile in Australia and expose the Company to a deep pool of capital from investors with a good knowledge of investing in resource, and lithium, companies.

The Company will continue to keep the market informed of progress as appropriate.

Board Changes:

In addition to my duties as Executive Chairman, I assumed the role of Interim CEO in April following Aldo Boitano's resignation. The search for a new CEO is ongoing, and we look forward to announcing the selected candidate in due course.

Lithium Market:

While the international lithium market remains subdued with current oversupply and low prices, there is clear expectation that market conditions will have improved significantly by the time the Company comes into first production in 2027. Some current high-cost production is suspending production, new projects are being deferred whilst demand for lithium for use in batteries, for Electric Vehicles and ESS continues to grow. The expectation is that lithium prices will start to recalibrate to a medium and longer-term price that allows new projects to be financed. Cannacord Genuity forecasts that pricing to be in excess of US$22,500/t lithium carbonate from 2028 onwards. The scoping studies for Laguna Verde and Viento Andino indicate that these projects will be in the lowest quartile of costs and economic even at today´s low prices and highly attractive at forecast long-term prices.

The Company has specific advantages in operating in Chile which has a free trade agreement ("FTA") with the USA and preferential trade arrangements with the EU for critical minerals such as lithium. The ability to supply battery grade lithium carbonate directly into these markets without intermediate processing in China will be important for the Company in those markets. Meanwhile Chinese companies are investing in battery supply chain production in FTA countries to maintain access to the US market and will increasingly seek lithium carbonate from FTA compliant countries for those projects. The Company is well placed to take advantage of this dynamic.

Financials:

The Company's cash position at the period end, including proceeds received from Loan Notes shortly after period end, was £2.1 million.

In the six months to 30 June 2024, CleanTech continued to prioritise expenditure on its capital programmes with the following progress noted:

- Laguna Verde: Drilling: five well programme; PFS: engineering and feasibility studies by Worley, Montgomery have been progressed; Hydrogeological modelling: further evolution of both the modelling and as has the planning for pump-test and reinjection programmes; EIA: evaluation of and development of the baseline studies remains continues and remains a key facet of CleanTech's programmes in Chile

- DLE: pilot plant construction, testing and commissioning and initial operation costs

- Community Relations: programme and other ESG initiatives.

In addition, the acquisition of 100% of the legal and beneficial interest in the licences in Laguna Verde licences previously held under an option agreement was announced in April 2024. Refer Note 12 to the financial statements for further details.

Administration cash costs of approximately £1.9 million were incurred during the period (1H 2023: £2.0m million). Those cash costs, largely reflect £0.5 million for staff costs (1H 2023: £0.5 million), £0.4 million for promotion public and investor relations and travel (1H 2023: £0.7 million), £0.8 million for legal and professional support including listing and compliance and insurance costs (1H 2023: £0.7 million), the balance of £0.2 million comprises a variety of other and general administrative costs (1H 2023: £0.1 million).

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 ("Loan Notes") to subscribers to raise A$3.995 million, approximately £2.1 million, to finance working capital and costs associated with ASX admission. Refer Note 11 to the financial statements for further details. Prior to entering into the loan note instruments the Company also terminated an agreement to issue a convertible loan note to a high net worth who failed to pay the subscription monies to the Company despite on-going assurances to the contrary.

To support CleanTech's plans which target initial production from Laguna Verde in 2027 the Board has developed a financial strategy to raise the capital needed. The Company routinely receives approaches from third parties and continues to consider as a part its overall funding strategy. An important tenant of that strategy is the participation and support of strategic partnerships. Although strategic partnership discussions are currently taking pace under non-disclosure agreements, they are expected to progress further once the Laguna Verde PFS is completed and once the initial quantities of battery grade lithium from the DLE pilot plant and downstream processes are available for review.

Outlook:

The Company remains well placed to demonstrate the efficacy of DLE to produce battery grade lithium carbonate from Laguna Verde brine and to deliver the PFS later this year. This is a critical step for securing strategic partnerships and future project funding. The aim to deliver battery-grade lithium carbonate through sustainable, low environmental impact production, utilising the DLE process and renewable energy, aligns the Company with the Chilean Government's National Lithium Strategy and criteria outlined in the CEOL applications. We are well positioned to be prioritised amongst the private sector potential projects.

Post the period end, the Company filed applications for its admission to the ASX. Alongside the dual-listing, CleanTech Lithium is seeking to raise funds to support the next stage of its dev`elopment, including the delivery of a strategic partner, as it progresses towards production.

The Board is excited about the opportunities ahead and remain committed to delivering value for our shareholders, partners, and the communities in which we operate.

Steve Kesler, Executive Chairman and Interim CEO
CleanTech Lithium plc

INTERIM FINANCIAL RESULTS

Condensed Consolidated Statement of Comprehensive Income

	Note	Unaudited six months to 30-Jun-24 £	Unaudited six months to 30-Jun-23 £
Income		-	-
Administrative costs	3	(2,861,194)	(3,263,200)
Operating loss		(2,861,194)	(3,263,200)
Finance costs		-	(9,806)
Loss before tax		(2,861,194)	(3,273,006)
Income tax	5	-	-
Loss for the period after tax		(2,861,194)	(3,273,006)
Other comprehensive income/(loss):			
Exchange differences arising on translation of functional currencies		(906,194)	9,128
Total comprehensive loss for the period		(3,767,388)	(3,263,878)
Loss per share basic	6	(0.020)	(0.031)

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

Condensed Consolidated Statement of Financial Position

	Note	Unaudited as at 30-Jun-24 £	Audited as at 31-Dec-23 £
Exploration and evaluation assets	7	32,558,090	13,710,413
Non-current assets		32,558,090	13,710,413
Proceeds from Loan Notes issued	11	2,109,986	-
Cash and cash equivalents		35,976	6,202,028
Trade and other receivables	8	179,989	610,898
Current assets		2,325,951	6,812,926
Trade and other payables	10	(906,550)	(351,637)
Provisions and accruals	10	(587,646)	(378,713)
Loans notes	11	(2,109,986)	-
Deferred consideration	12	(984,408)	-
Current liabilities		(4,588,590)	(730,350)
Deferred consideration	12	(13,565,301)	-
Non-current liabilities		(13,565,301)	-
Net assets		**16,730,150**	**19,792,990**
Share capital		26,310,625	26,310,625
Capital reserve		(77,237)	(77,237)
Share based payment reserve	9	6,417,807	5,713,259
Foreign exchange reserve		(1,611,569)	(705,375)
Accumulated losses		(14,309,476)	(11,448,282)
Equity and reserves		**16,730,150**	**19,792,990**

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

Condensed Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Share based payment reserve	Foreign exchange reserve	Accumulated losses	Total
	£	£	£	£	£	£
At 1 January 2023	21,076,155	(77,237)	1,578,340	315,695	(5,562,683)	17,330,270
Loss for the period	-	-	-	-	(3,273,006)	(3,273,006)
Other comprehensive income	-	-	-	9,128	-	9,128
Total comprehensive loss				9,128	(3,273,006)	(3,263,878)
Share options and warrants	-	-	778,935	-	-	778,935
Shares issued	396,000					396,000
30 June 2023	21,472,155	(77,237)	2,357,275	324,823	(8,835,689)	15,241,327
At 1 January 2024	26,310,625	(77,237)	5,713,259	(705,375)	(11,448,283)	19,792,990
Loss for the period					(2,861,194)	(2,861,194)
Other comprehensive income				(906,194)	-	(906,194)
	26,310,625	(77,237)	5,713,259	(1,611,569)	(14,309,476)	16,025,602
Share options and warrants	-	-	704,548	-	-	704,548
30 June 2024	26,310,625	(77,237)	6,417,807	(1,611,569)	(14,309,476)	16,730,150

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

Condensed Consolidated Statement of Consolidated Cash Flows

	Note	Unaudited six months to 30-Jun-24 £	Unaudited six months to 30-Jun-23 £
Loss after tax for the period		(2,861,194)	(3,273,006)
Non-cash items:			
Fair value of Loan Note warrants		592,633	
Fair value recognition of share options and warrants			556,896
Equity settled transactions or services			-
Movement in trade and other receivables		397,320	159,605
Movement in payables, provisions and accruals		835,849	22,964
Finance costs			(9,806)
Net cash used in operating activities		(1,035,392)	(2,543,347)
Expenditure on exploration and evaluation assets		(4,800,040)	(5,481,243)
Net cash used in investing activities		(4,800,040)	(5,481,243)
Proceeds from issue of ordinary shares		-	396,000
Finance costs		-	(9,806)
Net cash generated from financing activities		-	386,194
Net cash flow		**(3,725,446)**	**(7,638,396)**
Cash and cash equivalents brought forward		6,202,028	12,368,265
Net cash flow		(3,725,446)	(7,638,396)
Effect of exchange rate changes		(330,620)	(91,120)
Cash and cash equivalents carried forward		**35,976**	**4,638,749**

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

Notes to the Financial Statements

1. GENERAL INFORMATION

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

The condensed consolidated interim financial statements of CleanTech Lithium Plc for the first six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board on 29 September 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 six months to 30 June 2024, there have been no changes to the structure of the CleanTech Lithium Group.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the Group have been prepared in accordance IAS 34 'Interim Financial Reporting' per the U.K.-adopted international accounting standards. They are unaudited and do not include all the information required for the preparation of the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2023 of CleanTech Lithium Plc, that can be found on the website: https://www.ctlithium.com. The auditor's report on those accounts was unmodified but it did make reference to material uncertainties related to going concern.

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

A summary of the significant accounting policies can be found in the Company's consolidated financial statements for the year ended 31 December 2023, on pages 50 to 53. The accounting policies used to prepare these condensed consolidated interim financial statements are consistent with those. Furthermore, there are no new standards or interpretations applicable from 1 January 2024 which have a significant impact on these condensed consolidated interim financial statements.

Significant accounting judgments, estimates and assumptions

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

The significant judgments, estimates and assumptions made when applying the Group's accounting policies are the same as those applied to the consolidated financial statements for the year ended 31 December 2023. The significant judgment in assessing the exploration and evaluation assets for the existence of indicators of impairment at the reporting date, which are set out in note 7.

Going Concern

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

3. ADMINISTRATION EXPENES

Administration expenses in the six months to 30 June 2024 totaled £2.8 million, of which approximately £0.9 million reflects non-cash items (2023: £1.2 million). More specifically, approximately £0.6 million reflects a provision made against VAT in Chile which ought to be recoverable once production starts (Note 8 provides further detail) (2023: £0.6 million). In addition to the non-cash VAT provision, approximately £0.6 million has been recorded as a share-based payment for options historically issued and for warrants issued as a part of the Loan Notes issued in the period (further detail is set out in Note 9) (2023: nil), these two items were off-set by the unrealised gain on translation of the deferred consideration of 0.3 million (2023: nil).

Of the £1.9 million in cash costs, approximately £0.5 million relates to staff costs (2023: £0.5 million), £0.4 million relates to promotion, public and investor relations and travel (2023: £0.7 million), £0.8 million relates to legal and professional (2023: £0.7million) support including listing and compliance and insurance costs, the balance of £0.2 million comprises a variety of other and general administrative costs (2023: £0.1 million).

4. SEGMENTAL INFORMATION

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

5. INCOME TAX

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

6. 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.

A diluted loss per share assumes conversion of all potentially dilutive Ordinary Shares arising from the share schemes. 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.

	Unaudited ix months to 30-Jun-2024	Reviewed six months to 30-Jun-2023
Basic and diluted loss per share	£	£
Loss after taxation	(2,861,194)	(3,273,006)
Basic weighted average number of ordinary shares (millions)	145.16	105.66
Basic loss per share (GBP £)	(0.020)	(0.031)

7. EXPLORATION AND EVALUATION ASSETS

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

Exploration and evaluation assets	Unaudited six months ended 30-Jun-2024 £	Audited Year ended 31-Dec-23 £
Opening balance	13,710,413	5,317,412
Additions	19,795,670	9,383,902
Effect of foreign exchange translations	(947,994)	(990,901)
Closing balance	32,558,090	13,710,413

Of the £19.8 million in additions, approximately £15.9 million relates to the fair value of deferred consideration for licences acquired under the LV Purchase Agreement (refer Note 12), 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 9. Other additions reflect the additions associated with the capital programmes being undertaken during the period. These additions have been off-set by unrealised foreign exchange gains of £0.9 million.

Impairment assessments

The Directors assess for impairment when facts and circumstances suggest that the carrying amount of an exploration & evaluation asset (E&E) may exceed its recoverable amount. In making this assessment, the Directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20. In performing their assessment of each of these factors, at 30 June 2024, 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.

8. TRADE AND OTHER RECEIVABLES

	Unaudited as at 30-Jun-24 £	Audited as at 31-Dec-23 £
Prepayments and deposits	144,586	570,936
VAT	17,651	13,385
Other receivables	17,752	26,557
Total	179,989	610,898

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

Although VAT shows a balance of approximately £18k at 30 June 2024, at that date approximately £2.4 million in Chilean VAT recoverable is not shown in the table above. Although the Chilean VAT is expected to be eligible for refund in future, due to the uncertainty over the timing of future production and revenues, which would trigger the Group's eligibility to recover that VAT, the Directors have made full provision against this same amount. Accordingly, approximately £0.6 million provision has been reflected in the income statement for the period ended 30 June 2024 (refer Note 3).

Other receivables comprise multiple smaller working capital balances in Chile.

9. SHARE BASED PAYMENTS

On 30 June 2024, a total of 4,380,181 warrants attaching to Loan Notes issued (refer Note 11) were granted. No other warrants or options were granted, exercised, forfeited or allowed to lapse during the six months to 30 June 2024.

	Unaudited Six months ended 30-Jun-24 #	Audited Year ended 31-Dec-23 #
Outstanding at start of period	34,362,750	10,984,745
Share options granted	-	3,283,000
Warrant shares granted	4,380,181	21,876,005
Share options exercised	-	(1,100,000)
Share options revoked or forfeited	-	(681,000)
Outstanding at end of period	38,742,931	34,362,750

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

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

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

The total share option fair value charge during the six months to 30 June 2024 is £198k (2023 £779k), of which approximately £86k has been recorded in the income statement as a non-cash employee expense; the balance has been recorded within E&E. The total warrant shares fair value charge during the six months to 30 June 2024 was approximately £506k (2023: £27k).

As noted, these fair value estimates derived thorough Black-Scholes modelling and Monte Carlo simulations are non-cash accounting entries.

10. PAYABLES, PROVISIONS AND ACCRUALS

	Unaudited at at 30-Jun-2024 £	Audited at At 31-Dec-23 £
Trade and other payables	(863,526)	(291,369)
Other taxes and social security	(43,024)	(60,268)
Provisions	(99,067)	(106,451)
Accruals	(488,579)	(272,262)
Total	(1,494,196)	(730,350)

Trade and other payables include routine trade creditors.

Other taxes and social security balances largely relate to people-related costs and taxes balances at the period end. Accruals include routine accruals for professional services rendered not invoiced at period end.

11. LOAN NOTES

Shortly after the period end, CleanTech received the cash generated from issuing Loan Notes prior to 30 June 2024.

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 with a total of 4,380,181 warrants valued at approximately GBP £506,000 at the date of grant. As there are no vesting conditions attached to the warrants, the total value has been expensed as a non-cash fair value accounting adjustment (refer Note 9)

Although the Loan Notes have a maturity date of 30 June 2025, the Company shall redeem the Loan Notes at par together with the applicable premium on the earlier of the Maturity Date or 10 days following completion of any equity fundraising by the Company of at least AUD $5.0 million. The premium payable on redemption depends on when redemption occurs as follows: the Loan Notes carry a premium of 15% if the Loan Notes are repaid within three calendar months; or a premium of 25% if the Loan Notes are redeemed between four and six calendar months; or a premium of 40% if the Loan Notes are redeemed between seven and nine calendar months; or a premium of 50% if the Loan Notes are redeemed between ten and twelve calendar months. The Loan Notes are unsecured, however if they are not redeemed on or prior to three months from their date of issue, the Company has agreed to use best endeavours to grant or procure to grant the note holders a first ranking charge over both all the assets and undertakings of the Company and the entire issued share capital of CTL UK.

12. DEFERRED CONSIDERATION

Laguna Verde Option buy-out

On 19 April 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.

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

The carrying value for the LV licences acquired pursuant to the LV Purchase Agreement, has been designated as an asset acquisition 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 acquisition 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, 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, totaling 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 10^{th} anniversary of signing the LV Purchase Agreement.

	Unaudited at 30-Jun-24 £
Deferred consideration, current	988,784
Effect of foreign exchange differences on current deferred consideration	(4,376)
Deferred consideration, current	984,408
Deferred consideration, non-current	13,894,931
Effect of foreign exchange differences on non-current deferred consideration	(329,630)
Deferred consideration, current	13,565,301
Total	14,549,709

13. SUBSEQUENT EVENTS

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