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CleanTech Lithium PLC
30 June 2022

30.06.2022

CleanTech Lithium PLC
("CleanTech Lithium" or the "Company")
Final Results

CleanTech Lithium PLC (AIM: CTL), an exploration and development company, advancing the next generation of sustainable lithium projects in Chile, is pleased to announce its audited Final Results for the twelve months to 31 December 2021.

Highlights:

- Successful work programme to prepare the Company for listing on AIM, including:
  - § Two pre-IPO funding rounds, raising £4.8m (before expenses) and attracting strong new investors
  - § Appointment of an experienced Board and management team
  - § Establishing JORC compliant inferred resource of 1.2m/t LCE at Laguna Verde *
  - § Corporate restructuring and incorporation of a new Topco
- Successful listing on AIM, raising £5.6m (before expenses) and attracting additional strong shareholders *
- Completed drilling programme at Laguna Verde, aimed at expanding the resource base at Laguna Verde and establishing a maiden resource estimate at Francisco Basin which is expected soon *
- Completed sampling programme at Laguna Verde, sample results and grades from Francisco Basin in the near term *
- Independently verified laboratory scale test work confirmed the production of 1kg of battery grade lithium, supporting the next stage of the DLE test-work, a pilot scale production plant *
- Scoping study commenced at Laguna Verde and an Environmental Impact Assessment commenced at Laguna Verde and Francisco Basin *
- Strong Health and Safety performance with no LTIs, major incidents or near misses recorded in 2021 or 2022, to date *
- Strengthened Chile based operational team to meet operational plans*
  - Applied for 119 exploration licences at Llamara, as a low-commitment and cost, greenfield project that offers additional exploration potential to complement existing more advanced projects *

*Indicates event to have taken place post year-end

Commenting, Aldo Boitano, Chief Executive Officer, of CleanTech Lithium PLC, said:

"Cleantech Lithium is well placed. It has the funding it needs to complete current plans, is making good progress operationally and the Board will look to develop the interest shown by external parties in a strategic- relationship when it is thought to be in the best interest of shareholders."

"We have made huge strides forward on many fronts since the start of 2021. The Group has been transformed from a private Australian explorer to an AIM listed company, with an active work programme in place that is making excellent progress towards our ambition of producing material quantities of battery grade lithium with near zero carbon emissions."

The Annual Report will be available on the Company's website https://ctlithium.com/ and extracts are set out below.

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

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Notes

CleanTech Lithium (AIM: CTL) is an exploration and development company, advancing the next generation of sustainable lithium projects in Chile. The Company's mission is to produce material quantities of battery grade lithium with near zero carbon emissions and low environmental impact, offering the EU EV market a green lithium supply solution.

CleanTech Lithium has two prospective lithium projects in Chile - Laguna Verde and Francisco Basin projects located in the lithium triangle, the world's centre for battery grade lithium production. They are situated within basins entirely controlled by the Company, which affords significant potential development and operational advantages. The projects have direct access to excellent infrastructure and renewable power. The Company has also further applied for an additional 119 exploration licences at Llamara, as a low cost and commitment greenfield project to complement the existing more advanced projects.

CleanTech Lithium is committed to using renewable power for processing and reducing the environmental impact of its lithium production by utilising Direct Lithium Extraction (DLE). DLE is a transformative technology which only

removes lithium from brine, with higher recoveries and purities. The method offers short development lead times, low upfront capex, with no extensive site construction and no evaporation pond development so there is no water depletion from the aquifer or harm to the local environment.

CHAIRMAN'S STATEMENT

Dear Shareholders,

It is with great pleasure that I write to you for the first time as Chairman of CleanTech Lithium Plc. The year saw great progress in transforming the company from a private Australian explorer towards becoming a Jersey-based AIM listed public company, an event which culminated in CleanTech Lithium's admission to trading in March 2022.

The two founders of the Group, Aldo Boitano de Moras and Jason Baverstock, had recognised the potential of immature salars in Chile as sources of lithium to feed the rapidly growing lithium battery market. Through Chilean project companies they secured the control of two complete salars, Laguna Verde and Francisco Basin, by obtaining exploration licences and in the case of Laguna Verde concluding an option agreement in April 2021 over the area containing the surficial lake. In addition, application has been made recently for licences at a third potential project named Llamara. Sampling of the lake at Laguna Verde and geophysical studies led to a JORC compliant inferred resource of 1.2 million tonnes LCE being declared at Laguna Verde in July 2021. No JORC compliant resource has been declared for Francisco Basin yet, so any resource identified there will represent pure upside to the overall Group's published JORC resources.

The AIM market of the London Stock Exchange (LSE) was considered the most suitable exchange for a listing and to raise finance for the development of the projects. Significant corporate restructuring took place to firstly put a U.K. company above the Australian entities and then, through a share for share exchange in February 2022-, installing a Jersey registered company as a Group holding company for tax efficiency. The Australian entities were wound up subsequently; a process which completed formally with their legal deregistration in March 2022.

Beaumont Cornish was engaged as Nominated Advisor (Nomad) and Fox-Davies Capital as Broker in August 2021 and July 2021 respectively to advise and support the Board in the AIM admission process. An experienced Board was constituted with Aldo Boitano as CEO, Gordon Stein as CFO and Jonathan Morley-Kirk and myself as independent non-executive directors. Montgomery & Associates were engaged to provide the Competent Persons Report. Given the AIM admission process was to continue into the first quarter of 2022 the Group undertook a pre-IPO fundraising to ensure the AIM advisory costs were covered and to allow exploration drilling to commence during the summer drilling season of 2021/2022. Demand to participate in this fundraising was high and £4.0 million was raised pre-year end, mostly from institutions in Australia and the U.K.. This pre-IPO fundraise was in addition to the £0.8 million raised during the rest of 2021.

Drilling was initiated at Laguna Verde and Francisco Basin with the intention to both increase resources and improve quality to Measured and Indicated resource at Laguna Verde whilst developing a maiden resource at Francisco Basin. Drilling continued until May 2022 when the onset of winter at this high altitude prevented further work. Results of this work are being processed and resource updates are expected to be released in July 2022.

Metallurgical process design work was carried out at laboratory scale by Beyond Lithium, our lithium processing partner, who have had many years of experience in the development of lithium brine projects in Chile and Argentina. The aim of this work was to demonstrate the applicability of direct lithium extraction (DLE) to the Laguna Verde brine. This technology allows the elimination of evaporation ponds from the process, enabling spent brine to be returned to the aquifer and minimising water losses. In June 2022 the Group announced that this work demonstrated that the Laguna Verde brine was amenable to the use of DLE and a 1 kg sample of battery grade lithium carbonate was produced and analysed independently as >99.9% Li_2CO_3. This process design work will be carried into a scoping study and development of a pilot plant to further optimise the design of the project. It is the intention to use renewable energy for power needs so that the carbon footprint of the projects is minimised which would make our lithium production very attractive to battery manufacturers, particularly in the EU.

It was the intention to raise an additional £6 million in the IPO to fund the scoping study, pilot plant and pre-feasibility study. The markets were disrupted greatly by the Russian invasion of Ukraine and most IPOs on AIM at this time were suspended. However, the strengths of CleanTech Lithium's projects were recognised and £5.6million (before expenses) was raised and CleanTech Lithium Plc was admitted to trading on AIM on 17 March 2022.

The lithium market is currently in structural deficit as car manufacturers ramp up electric vehicle (EV) production under government pressure to combat global warming and this is projected to be the case for several years. Prices have reached USD $65,000/tonne Li_2CO_3 and, although these will decline inevitably as additional production is brought onstream, the price outlook remains strong well into the future.

General elections were held in Chile in November 2021 including for President which was won by Gabriel Boric. There was a peaceful transfer of power and President Boric began his term in March 2022. His government has pledged to increase social justice and to combat climate change whilst also creating a state-owned lithium mining company. Discussions have been held with incoming Government members including those of the Mining Ministry and it is clear the low carbon use technology of CleanTech Lithium is regarded favourably by the Government. There is no doubt the Government intends that private lithium mining should be conducted in a sustainable manner to continue alongside a state-owned lithium mining company. CleanTech Lithium meets the criteria of sustainable mine development that Government wants to see.

Chile has been in a process of reviewing and rewriting the constitution originated under the term of General Pinochet. This Constitutional Convention first met in July 2021 and a final draft of the proposed new constitution was presented in May 2022 and will go to a national plebiscite in September 2022. Although there were initial discussions on nationalisation of the mining industry these were dropped in the final draft such that, if the new constitution is adopted, there will be little of concern to the mining industry. In fact, the lithium sector would benefit as it is proposed to treat lithium as a normal metal rather than a reserved metal to the State requiring special operating permits from the Government, which is the present situation.

The elections and constitutional convention in 2021 demonstrated the deep-rooted democratic values of Chile which have made it a favoured destination for mining investment.

The Group has been strengthening management capacity in Chile to execute the planned work programmes during 2022 and, as a public company, is broadening its communications to existing and future shareholders to ensure the potential value of the Group is recognised.

In the past year there has been considerable M&A activity in the lithium sector as users endeavour to secure supply. CleanTech Lithium is one of the few companies that has not yet committed, deliberately, to offtake agreements. We have had a number of approaches from parties interested in discussing a strategic relationship and as we advance our projects through scoping and pre-feasibility studies we can expect more approaches to emerge. At an appropriate time we will look to how a strategic partner can best add value to our shareholders, in particular assisting the mobilisation of the construction capital that will be needed to bring the projects into production.

At this time, the Group remains financed for the 2022 work programme and are intent on completing this work and announcing regular results such that we close the value gap with more advanced lithium projects.

I would like to thank my fellow Board members, the Management team, employees, advisers, consultants and partners that have contributed in the journey toward transforming successfully the CleanTech Group and in transforming CleanTech Lithium Plc, as the Group's holding company, into a publicly listed company. Lastly, most importantly, I would like to thank you, our shareholders, for your support now and into the future as we make the most of the special opportunity, we have to create a leading lithium company for a low carbon world.

Steve Kesler, Non-Executive Chairman, CleanTech Lithium plc

CEO'S REPORT

2021: A year to establish the foundations for an active work programme in 2022

The Chairman mentioned in his Statement, that 2021 was a year of preparing the groundwork for an active programme to grow the value of the Group in 2022 and beyond. Since CleanTech Lithium was first formed in late 2017 - with the objective of unlocking value through the production of lithium in an environmentally clean manner from untapped salars in northern Chile - our progress has been made with limited resources. That constrained the ability to move the projects forward as fast as we would have liked during those early years. Nevertheless, the support of our shareholders and other stakeholders from Australia, Chile, Jersey and elsewhere during those early years proved crucial in helping CleanTech Lithium to progress its portfolio. I am very grateful for all the early support from our shareholders which provided a solid foundation for the significant increase in activity seen from 2H 2021 onwards.

It was always the intention to list on a public market when CleanTech Lithium's assets had reached a certain stage of readiness and, as a result, much of 2021 was spent preparing the foundation for the listing on AIM in Q1 2022. That preparatory work required us to complete several activities throughout 2021, including:

- **Corporate restructuring - Phase I**: The transfer of shares from our former holding company in Australia to a new holding company in the U.K.. This was completed using a share-for-share exchange in January 2021 and it included the transfer of the beneficial ownership of the Chile entities and assets to the new holding company.
- **Initial Equity Raise:** An initial fundraise in 2021 which generated £0.8m in the period to September 2022.
- **Option Agreement:** The signing of the Laguna Verde Option Agreement in April 2021 by CleanTech Lithium's relevant subsidiary in Chile with vendors covering the area of the lagoon within the Laguna Verde basin. The property concessions covered by the Option Agreement forms the central licence area of the Laguna Verde project. The Laguna Verde project is the asset which holds the current JORC Code measured and inferred resource estimates.
- **JORC Resource at Laguna Verde:** The completion of the assessment and subsequent announcement of a JORC inferred resource of 1.2m tonnes of Lithium Carbonate Equivalent (LCE) at Laguna Verde in July 2021 - an initial estimate for the sub-surface brine resource based on a grade of 246mg/L.
- **Advisers:** The appointment of a broker, Fox-Davies Capital in July 2021, and the appointment of a nominated advisor, Beaumont Cornish in August 2021, in readiness for the Group's initial public offering and admission to trading on AIM.

- **New Topco Board:** The appointment of Steve Kesler, Jonathan Morley-Kirk and Gordon Stein in Q3 2021 in preparation for the establishment of an experienced AIM company Board of Directors - bringing some 100+ years of relevant technical, financial and corporate experience to the future management and direction of the Group.
- **Pre-IPO Equity Raise:** Completion of a significantly over-subscribed pre-IPO private placing during Q4 2021, which raised £4.0 million (before expenses) at 20p per share. CleanTech Lithium anticipated securing less than £1.0 million during the pre-IPO funding round, so we were delighted that it was more than four times over-subscribed and at the interest received from new investors, including some U.K. and Australian financial institutions/funds.
- **Corporate restructuring - Phase II:** CleanTech Lithium (Jersey) Ltd (renamed subsequently to CleanTech Lithium Plc) was incorporated on 1 December 2021 as the IPO vehicle for listing on AIM.
- **Pro forma Group basis:** Although the completion of the share-for-share exchange which allowed Plc to secure sole ownership of CleanTech Lithium Limited (U.K. Company) did not complete until after 31 December 2021, this annual report has been prepared on a pro forma group basis. The purpose is to present to you, the reader, a profile of what the non-statutory pro forma group (Group) would have looked like had it been in place throughout 2021, albeit the Group was only formally legally constituted after 2021.

Preparations for the drilling campaigns at Laguna Verde and Francisco Basin were initiated in 2H 2021 resulting in the Group's ability to secure the contracts, equipment and personnel essential to allow the Group to catch the weather window and commence these drilling campaigns in early 2022 once it became clear the required funds would be secured from the pre-IPO raise.

In essence, the Group saw fundamental change throughout 2021, moving from a Group with limited staffing resources, limited advisory support and limited access to funds to a Group with a materially stronger financial position, technical and delivery competence, and the appropriate corporate structure to position it to undertake the planned work programmes in 2022 and in so doing unlock the inherent value we see in our projects.

The latter part of 2021 was an intensive period of activity in preparation for the work programme and to meet the regulatory and other documentation required to enable the CleanTech Lithium to list on AIM. I am very grateful to all who assisted the management on this work - which involved weekly progress meetings of all parties on the IPO and corporate restructuring processes - to ensure the final desired result was achieved as efficiently as possible.

2022 and Beyond: Activating a work programme to unlock the value from our assets

Having secured £4.0 million (before expenses) of funds from the pre-IPO fundraise, the Group was able to commence the planned work programme in Chile in late 2021 with the mobilisation of a drilling rig to the Laguna Verde site and the establishment of the supporting operations (camp, drilling pads, etc). It was then able to commence the drilling campaign at Laguna Verde in January, followed by the drilling campaign at Francisco Basin in early March 2022. These were both exciting developments for the Group as the first real opportunity to establish the resource which exists up to 500 metres beneath both basins through active drilling campaigns. It was also an opportunity to determine the quality of our brine grades from samples taken during the campaigns.

At the same time, good progress was made on the corporate restructuring needed for the listing. In addition, attention turned to the formal process of admission to trading on AIM and, at the same time, the process to raise up to £6.0 million in new equity funds. During an extensive fundraise roadshow, markets became affected rapidly by Russia's invasion of Ukraine. CleanTech Lithium closed its fundraise having secured £5.6m (before expenses) which was a remarkable testament to the belief investors had in the quality of the CleanTech Lithium opportunity at a time when, we understand, numerous other IPOs had been deferred or cancelled. I believe this demonstrates the strength of the CleanTech Lithium opportunity and the confidence shown in the CleanTech Lithium Board's ability to deliver on that opportunity and unlock real value from the assets over the coming years. I was very grateful to see some of our main shareholders, who invested in the pre-IPO raise, investing again in the IPO raise, some holding their corner. Our listing on AIM was concluded successfully with CleanTech Lithium Plc's formal admission to trading on 17 March 2022.

Having secured the funds to drive forward with the planned work programme in Chile, the operational team in Chile could be bolstered in 1H 2022 with the right management skills and experience within the Group to deliver on the forward plans. The team includes specialists in operations, finance, legal services, drilling, contracts, procurement, and other services - and we are also very well served through various specialist consultants in Chile and internationally for our technical requirements. I also have the support of our CFO and Group Financial Controller as well as from the Group's co-founder Jason Baverstock who's technical and business development contributions are so valuable for the Group's continued progress and growth. I believe we now have the team capable of delivering on real shareholders value and on the strategic objectives and ambitions for the Group.

The Strategic Report which follows provides a comprehensive outline of our assets in Chile, of what we are seeking to deliver from the projects and it highlights in the Operations Report the initial results from the 2022 work programme. This includes initial results on our brine samples at Laguna Verde which exceeded expectations with grades of up to 409 mg/L evident in the deeper zones at Laguna Verde. The Company is expecting sample results and grades from Francisco Basin in the near term. We are looking forward to seeing an upgraded Measured and Indicated JORC resource at Laguna Verde and a maiden JORC resource at Francisco Basin - with the upgrades expected from the Competent Person in July 2022.

We were also delighted to recently announce CleanTech Lithium's DLE process partner, Beyond Lithium, had successfully completed laboratory scale test-work to produce 1kg of battery grade lithium

carbonate on behalf of CleanTech Lithium. 2,000 litres of brine from the Laguna Verde project were used to produce the Group's first 1kg of battery grade lithium. The lithium was delivered to Beyond Lithium's laboratory in Salta, Argentina and to an independent lab in Germany with both laboratories validating sample as battery grade lithium measuring 99.9% Li_2CO_3, notably a level of purity which exceeds the benchmark for battery grade lithium of 99.5% Li_2CO_3. This was an excellent result and a pivotal milestone for the Group and bodes well for the next stage of DLE test-work which is a pilot-scale production plant with the aim of producing 10 tonnes of battery grade lithium per month. Pilot-scale test-work will focus on optimising the process. This will include reverse osmosis to concentrate the eluate and working with KMX Technologies, the leader in membrane distillation, this technology has strong potential to replace the mechanical evaporator stage of the process resulting in maximising water retention. The planning of pilot-scale test-work is advancing and will be funded from the monies raised at the time of the IPO.

We also commenced work at Laguna Verde on a Scoping Study which will precede the commencement of a pre-feasibility study (PFS) on 3Q 2022. The commencement of an Environmental Impact Assessment (EIA) in April 2022 also demonstrated our desire to move forward on all fronts - with this involving baseline studies over the next four seasons at both Laguna Verde and Francisco Basin by a specialist contractor, MYMA. This work, which will be followed by additional EIA analysis, will help support future operations and development activities at both sites in an environmentally acceptable manner.

In relation to HSE, the Group gives the health & safety of its employees, contractors and stakeholders the highest priority and we are very conscious both of our projects, Laguna Verde and Francisco Basin, operate in challenging environments, each being some 4,200+ metres above sea level. Such altitudes require extra protocols and procedures to ensure all personnel travelling to and working at the sites are monitored to avoid altitude sickness or other related illnesses. Likewise, extra COVID related protocols were established to minimise risk to our staff and contractors, with both these requirements being built into all contractor and consulting contracts for those entities working on site. Health & safety performance in 2021 (and into 2022) was excellent, no lost time incidents, no major incidents and or near misses have been recorded to date. Our Board and management team are committed to maintaining this level of performance.

On the environmental front, a key objective for the Group has always been to minimise the impact of our operations on the environment. Producing battery grade lithium in an environmentally friendly manner is a key strategic objective and the Group is intending to produce lithium using a sustainable direct lithium extraction method, which returns water to its source instead of depleting vital aquifers. Chile is also one of the world's best regions for solar and other renewable energy and our ambition is to use 100% renewable energy for process power; the result being that the overall process will have a very low CO_2 footprint potentially giving us a critical advantage in the EU market and other markets which have set strict CO_2 emissions limits. Our EIA will ensure we have the correct processes in place to deliver on our objectives and our recent drilling campaigns are evidence of our environmental credentials in action. At our second drilling site at Laguna Verde (LV02), it is now almost impossible to know that a drilling campaign was carried out there only recently. We intend fully to maintain this level of environmental protection of our sites which are in places of real natural beauty.

From a corporate development perspective, the Group has looked to further expand its footprint in Chile through the addition new lithium exploration ground further north from our current assets. We announced recently that we had applied for 119 new exploration licences, covering a total area of over 600km^2, which constitute the Llamara Project. This project is also located in the highly prospective lithium Triangle, some 600km north of our two flagship projects, Laguna Verde and Francisco Basin. Historical geophysics lines by an oil exploration company indicate an extensive deep brine aquifer in the project area with an aquifer thickness of several hundred meters. The aquifer has not been drilled or measured for lithium, however highly elevated lithium concentrations have been recorded in surface salt crusts and clay deposits, indicating a lithium source within the basin. The licences, which cover a 4-year exploration period, require minimal financial and work commitments over the next 18 months with application costs of less than US$100,000. These licences, once formally awarded (the application process is expected to take around six months), will add longer-term exploration potential to the near-term lithium production and cashflow potential of our existing projects. We have been looking at these licences for some time and believe they could provide a step-change in the value proposition of the Group and help further our foothold in the prospective lithium triangle of northern Chile. With low upfront costs and minimal near and medium-term commitments there was a strong case for adding this project to the existing portfolio, the development of which remains the Group's absolute focus. Llamara is a greenfield project that complements our existing projects and offers additional exploration potential - if a lithium resource is established the project would leverage the Group's proprietary DLE process.

In summary, the Group has made huge strides forward on many fronts since the start of 2021. The Board and management team are determined to maintain momentum over the remainder of 2022. The Board will also look to develop strategic relationships with other parties over the course of the next 12-18 months, with this potentially including car or battery manufacturers, traders and other entities of scale who can see the true value of our projects in delivering lithium to a market requiring new supplies. The Group has already entered into some initial conversations with certain parties of scale and will continue to progress such conversations in the months ahead as our JORC resource potential at both projects become clearer.

I would like to close by mirroring the comments of our Chairman in thanking the shareholders of CleanTech Lithium, the management, contractors, advisers and all those whose contributions have

made such a difference in such a short space of time. I look forward to the future with confidence and will endeavour to keep our stakeholders updated on our progress in a timely manner.

Aldo Boitano, Chief Executive Officer

Pro Forma Statement of Comprehensive Income

	Notes	Audited Year ended 31-Dec-21 Pro forma £	Audited Year ended 31-Dec-20 Pro forma £
Income		-	-
Administrative costs	6	(1,201,122)	(139,223)
Operating loss		(1,201,122)	(139,223)
Finance cost		(3,579)	(5,112)
Other income		-	-
Loss before tax		(1,204,702)	(144,334)
Income tax	8	-	-
Loss for the year after tax		(1,204,702)	(144,334)
Other comprehensive income/(loss):			
Foreign exchange differences arising on translation of functional currencies		1,854	(9,240)
Total comprehensive loss for the year		(1,202,848)	(153,575)

As the Group's financial information has been prepared on an aggregated basis, it is not possible to measure earnings per share. Accordingly, the requirement of IAS 33 "Earnings per Share" to disclose earnings per share has not been presented.

The accompanying notes are an integral part of these non-statutory pro forma financial statements.

All amounts are derived from continuing operations.

Pro Forma Statement of Financial Position

	Notes	Audited as at 31-Dec-21 Pro forma £	Audited as at 31-Dec-20 Pro forma £
Exploration and evaluation assets	9	765,115	69,186
Non-current assets		765,115	69,186
Cash and cash equivalents		3,230,997	95,635
Trade and other receivables	10	51,461	-
Current assets		3,282,458	95,635
Borrowings	14	-	(53,843)
Trade and other payables	16	(213,244)	-
Provisions and accruals	16	(305,090)	(90,759)
Current liabilities		(518,334)	(144,602)
Total liabilities		(518,334)	(144,602)

Net assets		3,529,239	20,220
EQUITY AND RESERVES			
Aggregated share capital	11	5,051,201	2
Capital reserve	18	262,094	601,425
Foreign exchange reserve		(21,909)	(23,763)
Accumulated losses		(1,762,146)	(557,444)
Total equity and reserves		3,529,239	20,220

The accompanying notes are an integral part of these non-statutory pro forma financial statements.

These non-statutory pro forma financial statements were approved and authorised for issue by the Board of directors on 29 June 2022 and were signed on its behalf by:

Gordon Stein, Chief Financial Officer

Pro Forma Statement of Changes in Equity

	Aggregated Share Capital £	Capital Reserve £	Foreign exchange reserve £	Accumulated losses £	Total £
1 January 2020 pro forma	2	-	(14,523)	(413,110)	(427,631)
Loss for the year	-	-	-	(144,334)	(144,334)
Other comprehensive loss	-	-	(9,240)	-	(9,240)
Capital reserve	-	601,425	-	-	601,425
Shares issued	-	-	-	-	-
31 December 2020 pro forma	2	601,425	(23,763)	(557,444)	20,220
Loss for the year	-	-	-	(1,204,702)	(1,204,702)
Other comprehensive income	-	-	1,854	-	1,854
Share-for-share exchange	339,331	(339,331)	-	-	-
Shares issued	4,711,868	-	-	-	4,711,868
31 December 2021 pro forma	5,051,201	262,094	(21,909)	(1,762,146)	3,529,239

The accompanying notes are an integral part of these non-statutory pro forma financial statements.

Pro Forma Statement of Consolidated Cash Flows

	Audited Year ended 31-Dec-21 Pro forma £	Audited Year ended 31-Dec-20 Pro forma £
Loss after tax for the year	(1,204,702)	(144,334)
Non-cash items:		
Equity settled transactions or services	97,747	13,243

Movement in receivables	(51,461)	-
Movement in payables	442,823	13,200
Movement in provisions	(5,485)	-
Finance costs	3,579	-
Borrowings and loans - related party interest accrual	-	7,087
Net cash used in operating activities	(717,499)	(110,804)
Expenditure on exploration and evaluation assets	(695,929)	(9,825)
Net cash used in investing activities	(695,929)	(9,825)
Proceeds from issue of ordinary shares	4,614,121	132,574
Finance costs	(3,579)	-
Borrowings and loans - related party	(47,694)	-
Net cash generated from financing activities	4,562,847	132,574
Net cash inflow	3,149,418	11,945
Cash and cash equivalents b/fwd	95,635	83,690
Effect of exchange rate changes on cash & cash equivalents held	(14,056)	-
Net cash inflow	3,149,418	11,945
Cash and cash equivalents c/fwd	3,230,997	95,635

The accompanying notes are an integral part of these non-statutory pro forma financial statements.

Notes to the Non-Statutory Pro Forma Financial Statements

1. GENERAL INFORMATION

CleanTech Lithium Plc (the "Company")

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

On 14 February 2022, a share exchange agreement between the shareholders of CleanTech Lithium Ltd (the U.K. entity) and CleanTech Lithium Plc was agreed, resulting in the Company becoming the new parent company of CleanTech Lithium Ltd and its subsidiary undertakings (the "Underlying Group"). The formation of the Underlying Group is further described below.

On 17 March 2022 the Company announced its admission to trading on AIM, a market operated by the London Stock Exchange plc, under the ticker CTL. The admission to trading followed a successful IPO fundraise of £5.6 million before expenses.

As described in Note 2, the basis of preparation, the Directors have prepared the non-statutory pro forma financial statements which comprise of the consolidated financial information of the Underlying Group for the year ended and as at 31 December 2021 and aggregated the financial information of the Company to create the pro forma group (the "Group").

Formation of the trading group (the "Underlying Group")

CleanTech Lithium Ltd (CTL Ltd), a company incorporated under the laws of England and Wales on 22 December 2020 with the number 13094466. Its registered office is located at 49 Greek Street, London, United Kingdom, W1D 4EG.

In January 2021, the debt and equity investments made by the Australian entities into the Chilean entities were transferred to CTL Ltd (the U.K. Company) in a share for share exchange. The U.K. Company acted as holding company for the Australian group and provided managerial support services to the Australian entities and Chilean entities), as described below.

CTL Ltd entered into agreements with all the holders of ordinary shares in Chilean Lithium Salars Holdings PTY Ltd ("CLSH") at such time, for a share for share exchange regarding the ordinary shares in CLSH and Ordinary

Shares in CTL Ltd. Under the terms of the agreement, the sellers sold in CLSH the ordinary shares with full title guarantee and limited warranties in consideration for an equal percentage of the shareholding at such time in CTL Ltd.

The Directors considered IFRS 3 "Business Combinations" as the appropriate accounting treatment. However, they concluded that the Group fell outside of the scope of IFRS 3 since the Underlying Group represents a combination of entities under common control.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, in developing an appropriate accounting policy, the Directors have considered the pronouncements of other standard setting bodies and specifically looked to accounting principles generally accepted in the United Kingdom ("U.K. GAAP") for guidance (FRS 102) which does not conflict with IFRS and reflects the economic substance of the transaction.

Under U.K. GAAP, the assets and liabilities of both entities are recorded at book value, not fair value. Intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the legal acquirer in accordance with applicable IFRS. No goodwill is recognised, any expenses of the combination are written off immediately to the income statement and comparative amounts, if applicable, are restated as if the combination had taken place at the beginning of the earliest accounting period presented.

Therefore, although the Underlying Group became effective in January 2021, the consolidated financial information is presented as if the Underlying Group structure had always been in place, including the activity from incorporation of the Underlying Group's principal subsidiaries. All entities had the same management as well as controlling shareholders. Accordingly, the comparative amounts for the year ended 31 December 2020 are presented on a pro forma basis.

On this basis, the Directors have decided that it is appropriate to reflect the combination using merger accounting principles as a group reconstruction under FRS 102 to give a true and fair view. No fair value adjustments have been made because of the combination.

Australian entities

- Chilean Lithium Salars Holdings PTY Ltd a company incorporated under the laws of Australia on 30 November 2017 with the number 623 170 123. Its registered office is located at level 4, 16 St. George Terrace, Perth, Western Australia 6000. Chilean Lithium Salars Holdings PTY Ltd acted as holding company for the Australian group;

- Chilean Lithium Salars PTY Ltd a company incorporated under the laws of Australia on 30 November 2017 with the number 619 059 862. Its registered office is located at level 4, 16 St. George Terrace, Perth, Western Australia 6000. Chilean Lithium Salars PTY Ltd acted as operating company for the Australian group.

Under section 601AA(4) of the Corporations Act 200L in Australia the above companies were deregistered on 25 March 2022. Consequently, it will not form part of the Group going forward;

Chilean entities

- CLS Chile SpA, a company incorporated under the laws of Chile on 15 February 2018 with the number 76.847.306-4. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS CONDES, Ciudad: SANTIAGO, ROL: 2741-43. CLS Chile SpA provides funding and managerial support to the Chilean exploration and development companies within the Underlying Group;

- Laguna Negro Francisco SpA, a company incorporated under the laws of Chile on 19 January 2019 with the number 76.844.777-2. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS CONDES, Ciudad: SANTIAGO, ROL: 2741-43. Laguna Negro Francisco SpA is a mineral exploration and development company with exploration and evaluation assets in Chile;

- Laguna Escondida SpA, a company incorporated under the laws of Chile on 19 January 2019 with the number 76.844.773-K. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS CONDES, Ciudad: SANTIAGO, ROL: 2741-43. Laguna Escondida SpA is a mineral exploration and development company with exploration and evaluation assets in Chile;

- Laguna Brava SPA, a company incorporated under the laws of Chile on 19 January 2018 with the number 76.844.779-9. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS CONDES, Ciudad: SANTIAGO, ROL: 2741-43. Laguna Brava SPA is a mineral exploration and development company with exploration and evaluation assets in Chile;

- Atacama Tierras Blancas SpA, a company incorporated under the laws of Chile on 9 July 2019 with the number 77.050.425-2. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS CONDES, Ciudad: SANTIAGO, ROL: 2741-43. Atacama Tierras Blancas SpA is a mineral exploration and development company with exploration and evaluation assets in Chile; and

- Atacama Salt Lakes SpA, a company incorporated under the laws of Chile on 29 November 2018 with the number 76.954.532-8. Its registered office is located at ESTORIL, Nro. 50, Depto: 314, Comuna: LAS

CONDES, Ciudad: SANTIAGO, ROL: 2741-43. Atacama Salt Lakes SpA is a mineral exploration and development company with exploration and evaluation assets in Chile.

Although the Australian entities were deregistered formally on 25 March 2022, the assets and liabilities were transferred within the CleanTech Operating Group such that their being wound up had no economic impact on the Group going forward.

The Group's principal business activity is the acquisition and exploration of mineral assets in Chile. To date, the Group has not generated any revenues from its operations and is in the exploration stage.

2. BASIS OF PREPARATION

In March 2022 CleanTech Lithium plc was admitted to trading on the AIM market of the London stock exchange. In February 2022 a share for share exchange took place so that the CleanTech Lithium Plc became the owner of the Underlying Group. The share for share exchange took place after the 31 December 2021 and therefore at 31 December 2021 CleanTech Lithium Plc was not the owner of CleanTech Lithium Limited.

Under the AIM rules, the Company is required to publish its annual results for the year ended 31 December 2021. Therefore, to adhere to assurances made in the Admission Document to present audited financial results of the pro forma group that became legally a group only after the year end, the Directors have prepared the non-statutory pro forma financial statements under a special reporting framework. The Directors have taken the consolidated financial information of the Underlying Group for the year ended and as at 31 December 2021 and aggregated the financial information of CleanTech Lithium Plc to create the Group.

The principal accounting policies adopted in the preparation of these non-statutory pro forma financial statements are set out below.

The Group's non-statutory pro forma financial statements have been prepared in accordance with U.K. adopted International Accounting Standards (U.K. IFRSs). The historical cost basis of preparation has been used, except for certain financial assets measured at fair value.

All amounts are presented are in GBP £ and rounded to the nearest £, unless otherwise specified.

Basis of consolidation and aggregation of the Group

The non-statutory financial pro forma statements include the financial information of:

- 100% of the Jersey entity, namely CleanTech Lithium Plc, which was incorporated on 1 December 2021, aggregated with;
- The consolidated financial information of Underlying Group being:
  - § 100% of the U.K. entity, namely: CleanTech Lithium Ltd was incorporated on 22 December 2020 and its subsidiaries;
  - § 100% of the Chilean entities, namely: CLS Chile SpA, Laguna Negro Francisco SpA, Laguna Escondida SpA, Laguna Brava SPA, Atacama Tierras Blancas SpA, and Atacama Salt Lakes SpA; and
  - § 100% of the Australian entities, namely: Chilean Lithium Salars Holdings PTY Ltd and Chilean Lithium Salars PTY Ltd.

The Group's financial information has been prepared by aggregating the assets, liabilities, results share capital, share premium (if any) and reserves of CleanTech Lithium Plc and the Underlying Group, after eliminating intercompany transactions, balances and unrealised gains on transactions between the consolidated entities. "Aggregated Share capital" represent the aggregated share capital and share premiums of the companies comprising the Group.

As the Group's financial information has been prepared on an aggregated basis, it is not possible to measure earnings per share. Accordingly, the requirement of IAS 33 "Earnings per Share" to disclose earnings per share has not been presented.

Going concern assessment

Events which have occurred since 31 December 2021 are included in Note 22 to the attached non-statutory pro forma financial statements. The Group's non-statutory pro forma financial statements for the year ended 31 December 2021 have been prepared assuming the Group will continue as a going concern.

Under the going concern assumption, the Group is viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In 2021, the Group enhanced its business position materially through the streamlining of corporate structure and the raising of approximately £4.8 million (including £0.1 million which was received shortly after year-end) gross proceeds, which was augmented in 2022 by a further £5.6 million IPO raise.

Whilst the Directors remain acutely cost conscious and value focussed, the Group recognises that to pursue organic and inorganic growth opportunities it may require additional funding, this may be sourced through debt finance, joint venture equity, strategic partnership participation and support or through share issues.

An assessment has been made based on the Group's anticipated activities which have been included in the financial forecast to period ended 30 June 2023. The Group has no capital commitments and so the Directors are of the opinion that the Group has adequate financial resources to allow it to continue for at least 12 months from the date of the approval of these non-statutory pro forma financial statements. Additionally, the Directors have considered downside scenarios including the event where there is a delay to the expected generation of cash. In the event of financial distress, the Directors are confident that the implementation of austerity measures, the proven success in raising capital, the financing and strategic options available, will enable the Group to continue as a going concern. Therefore, the going concern basis is adopted in preparing the non-statutory pro forma financial statements.

Standards and interpretations issued but not yet applied

At the date of the Group's non-statutory pro forma financial statements, the Directors have reviewed the standards in issue by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of the Group's non-statutory pro forma financial statements in compliance with U.K. IFRSs requires the Directors to exercise judgement in applying accounting policies associated with the Exploration for and Evaluation of Mineral Resources, the selection of the appropriate functional and presentational currencies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's non-statutory pro forma financial statements is disclosed in Note 4 *"Significant Judgements, Estimates and Assumptions"*.

Foreign currencies

Presentational and functional currency

The Group's non-statutory pro forma financial statements are presented in GBP £.

Items included in the accounts of each of the Chilean entities are measured using the currency of the primary economic environment in which an entity operates (the "functional currency"). The functional currency of the Chilean entities: CLS Chile SpA; Laguna Negro Francisco SpA; Laguna Escondida SpA; Laguna Brava SPA; Atacama Tierras Blancas SpA; and Atacama Salt Lakes SpA is the Chilean Peso (CLP $).

The functional currency of the Australian entities: Chilean Lithium Salars Holdings PTY Ltd; and Chilean Lithium Salars PTY Ltd was the Australian dollar (AUD $).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *"The Effects of Changes in Foreign Exchange Rates"*.

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 profit or loss.

Translation of the Chilean and Australian entities results from CLP $ and AUD $ into GBP £, the presentation currency

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

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

On consolidation, exchange differences arising from the translation of the net investment in the Chilean entities are recognised in *"other comprehensive income"*. When the Australian entities are wound up, any exchange differences will be recognised in profit or loss as part of the *"gain or loss on sale of investment"*.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognised in profit or loss.

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 profit or loss 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 assets or liabilities that do not affect accounting or taxable profit; and
- goodwill.

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 ore reserves, while costs for the prospects abandoned are written-off.

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

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

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

Environmental rehabilitation

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

At the reporting date, the Group has no environmental rehabilitation obligations in Laguna Negro Francisco SpA, Laguna Escondida SpA, Laguna Brava SPA, Atacama Tierras Blancas SpA, or Atacama Salt Lakes SpA; as such, no provision has been recognised in the Group's non-statutory pro forma 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 profit or loss.

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 profit or loss.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Even though exploration and evaluation assets can be qualifying assets, generally they do not meet the *"probable economic benefits"* test and are also rarely debt funded. Any related borrowing costs incurred during this phase are therefore generally recognised in profit or loss in the period they are incurred.

Financial instruments

The Directors classify the Group's financial assets in the following categories:

- financial assets at "fair value through profit or loss"; or
- loans and receivables; or
- other financial liabilities.

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 at "fair value through profit or loss"

Financial instruments are classified as *"fair value through profit or loss"* when the financial instrument is held for trading or it is designated as *"fair value through profit or loss"*.

A financial instrument is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Underlying Group manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets carried at fair value through profit or loss are recognised and recorded initially at fair value and transaction costs are expensed in profit or loss. Gains and losses arising from changes in the fair value of the financial asset held at *"fair value through profit or loss"* are included in profit or loss in the period in which they arise.

The Directors classified the Group's marketable securities as *"fair value through profit or loss"*.

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"*.

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 the Group non-statutory pro forma financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses of the Group. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about

carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Directors on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The Directors have made the following judgements which may have a significant effect on the amounts recognised in the Group's non-statutory pro forma financial statements:

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 9.

Functional currency

Items included in the accounts of each of the Group entities are measured using the currency of the primary economic environment in which an entity operates. For the Chilean entities (CLS Chile SpA, Laguna Negro Francisco SpA, Laguna Escondida SpA, Laguna Brava SPA, Atacama Tierras Blancas SpA and Atacama Salt Lakes SpA), the Directors have determined the functional currency to be the Chilean Peso (CPL $). For the Australian entities (Chilean Lithium Salary Holdings PTY Ltd and its wholly owned subsidiary, Chilean Lithium Salary PTY Ltd), the Directors have determined the functional currency to be the Australian dollar (AUD $). For Group reporting purposes, the Directors have determined it most appropriate to utilise the Pounds Stirling (GBP £) as the presentation currency. Judgement is required to be exercised in determining the functional currency, including assessing the underlying transactions, events and conditions which are relevant to an entity. The Directors have considered the currency in which funds are raised and in which expenditure is incurred as being the most relevant factors for consideration when determining the functional currencies for entities resident in Chile and Australia.

5. SEGMENTAL INFORMATION

The Group operates in business segments, being the exploration and evaluation of mineral properties. These activities are undertaken in Chile, alongside administrative operations in Australia (by entities being wound up) and in the U.K.

31 December 2021	Chile	U.K., Jersey and other	Total
	£	£	£
Exploration and evaluation assets	765,115	-	765,115
Non-current assets	765,115	-	765,115
Trade and other receivables	12,667	38,795	51,461
Related party and inter-group receivables	57,232	(57,232)	-
Cash and cash equivalents	582,560	2,648,437	3,230,997
Current assets	652,458	2,630,000	3,282,458
Trade and other payables	(42,211)	(171,034)	(213,244)
Provisions and accruals	(85,274)	(219,816)	(305,090)
Current liabilities	(127,485)	(390,850)	(518,334)
Net assets	1,290,089	2,239,150	3,529,239
Loss before income taxes	(353,794)	(850,908)	(1,204,702)
Income taxes	-	-	-
Loss for the year	(353,794)	(850,908)	(1,204,702)
Other comprehensive expense			
Foreign exchange differences arising on translation of subsidiaries	(68,728)	70,702	1,854
Total comprehensive loss	(422,522)	(780,326)	(1,202,848)

31 December 2020	Chile	U.K., Jersey and other	Total
	£	£	£
Exploration and evaluation assets	69,186	-	69,186
Non-current assets	69,186	-	69,186

Cash and cash equivalents	95,182	453	95,635
Current assets	95,182	453	95,635
Borrowings - related party and inter-group	(339,055)	285,212	(53,843)
Provisions and accruals	(90,759)	-	(90,759)
Current liabilities	(429,814)	285,212	(144,602)
Net Assets	(265,445)	285,665	20,220
Loss before income taxes	(123,284)	(21,050)	(144,334)
Income taxes	-	-	-
Loss for the year	(123,284)	(21,050)	(144,334)
Other comprehensive expense			
Foreign exchange differences arising on translation of subsidiaries	(26,887)	17,647	(9,240)
Total comprehensive loss	(150,171)	(3,404)	(153,575)

6. EXPENSES BY NATURE

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Auditor's remuneration	35,000	-
Compliance and regulatory expenses	59,464	-
Legal, Nomad and broker commissions & fees	658,949	-
Staff costs (Note 7)	159,250	40,498
Equity settled transaction (or services rendered)	97,747	13,243
Other expenses	194,292	91,225

7. STAFF AND DIRECTORS

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
Average monthly number of employees		
Directors	2	2
Total	2	2

In each of 2020 and 2021, the average number of Directors noted in the above table reflects the average number of individuals as distinct from the average number of directorships held; as such one director will have held office in more than one legal entity.

In 2021, there were no employees involved in the Group's exploration and evaluation activities other than the directors. Personnel engaged by the Group to support the Group in its activities were engaged in a consultancy capacity. There were no management employees who were not directors. Several employee contracts were awarded commencing the first quarter of 2022.

The appointment of Directors within the Group varied with respect to timing and entity. Notwithstanding the variation of formal appointments or designation as director or consultant, the following sets out the remuneration for those individuals who are noted as having held Director roles or carried out those roles on a consultative basis for the non-statutory pro forma Group. The table below summarises their cash settled, and equity settled remuneration.

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20

	£	£
Aldo Boitano	98,000	32,998
Luke Jarvis	33,250	7,500
Jason Baverstock	28,000	-
Cash paid remuneration	159,250	40,498
Steve Kesler	20,000	-
Jonathan Morley-Kirk	18,000	-
Gordon Stein	38,274	-
Luke Jarvis	21,473	7,500
Equity settled transactions (or services rendered)	97,747	7,500
Total	256,997	47,998

8. INCOME TAX

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Current tax	-	-
Total current tax expense	-	-

Reconciliation of the tax expense

The standard rate of corporation tax in Jersey is nil % (2020: nil %) which differs from the tax rates in foreign jurisdictions as follows: Chile tax rate of 27% (2020: 27%); Australia tax rate of 30% (2020: 30%); and U.K. tax rate of 19% (2020: 19%).

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Loss on before taxation	(1,204,702)	(144,334)
Tax at the aggregated applicable tax rate of 21% (2020: 26%)	262,887	39,602
Losses carried forward on which no deferred tax is recognised	(262,887)	(39,602)
Total current tax expense	-	-

At 31 December 2021, the proforma Group had £ 1,470,426 of accumulated tax losses which included the removal of £195,327 of accumulated losses relating to the Australian entities have been utilised because at year end the process to wind-up the Australian entities was underway. It is unlikely any of the utilised tax losses would have become available for use under the current Jersey-centric corporate structure given the absence of future profits which would have accrued to the Australian entities. An indefinite carry-forward of net operating losses is permitted under Chilean tax rules.

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

9. 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.

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Balance at 1 January	69,186	68,602
Additions	695,929	584
Exchange differences	-	-

Total	765,115	69,186

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 2021, 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.

10. TRADE AND OTHER RECEIVABLES

	Audited Year ended 31-Dec-21 £	Audited Year ended 31-Dec-20 £
Prepayments and deposits	23,252	-
VAT	15,543	-
Other receivables	12,667	-
Total	51,461	-

11. AGGREGATED SHARE CAPITAL

Aggregated share capital

The Group's non-statutory pro forma financial statements have been presented on a consolidated basis, consequently the carrying value of *"share capital"* within *"equity"* represents the aggregation of the share capital of CTL Ltd and the Company, which itself was less than £1.

Aggregated share capital	Audited Year ended 31-Dec-21 Pro forma £	Audited Year ended 31-Dec-20 Pro forma £
Aggregated share capital b/fwd	2	2
Issued during the year	5,051,199	-
Aggregated share capital c/fwd	5,051,201	2

The £2 brought forward share capital amount reflects the two subscriber shares issued in CTL Ltd and this has been aggregated with the two 1 pence subscriber shares of issued by the CleanTech Lithium Plc.

Of the £5,051,199 in share capital issued in 2021, approximately £4,614,000 related to cash settled subscriptions as a part of two pre-IPO funding rounds (further detail can be found in the Finance Review section of the Annual Report and non-statutory financial statements) approximately £339,000 related to newly issued shares in respect of the corporate restructuring transactions and the balance related to equity settled transactions or services rendered.

12. CONTINGENT LIABILITIES

Laguna Verde Option Agreement

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

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

In consideration for the grant of the Option, Atacama is required to make payments to the vendors comprising: (i) a fixed price of US$334,000 (of which US$43,000 has been paid, with the balance payable in annual instalments); and (ii) a variable price, as calculated in reference to the valuation of lithium carbonate and other commercially extractable products from the concessions. The variable price is payable with a mix of cash and shares as follows: 20% payable in cash and 80% payable through the issue of shares in CleanTech Lithium Plc. The minimum variable price payable under the Option Agreement is USD $3.5 million. Atacama may discard the option to purchase the relevant Laguna Verde properties and in the event of such a decision no further payments would be due.

Cooperation Agreement

Currently, the Group has a cooperation agreement with Beyond Lithium, a Chilean-Argentinian based Direct Lithium Extraction technical service provider. The terms of that agreement provide the framework within which Beyond Lithium will undertake laboratory test-work and the building of a pilot processing plant. In addition, a patent application over certain aspects of the process is to be submitted. The patent application is to be funded by CleanTech in return for ownership and/or control of licensing rights over the patent that are mutually beneficial to CleanTech and Beyond Lithium. Further, Cleantech will have exclusivity in the use of the patented process or, if both parties agree to licensing the process to a third party, the licence fee will be split 50:50 between Beyond Lithium and CleanTech.

In addition to the financing of the patent application noted above, the other financial implications of the agreement are defined by reference to specific milestones as follows:

Milestone	Description	Duration	Milestone Payments
Laboratory Test-work	Process trials on an initial 60L sample and then a 2,000L sample to produce 1kg of battery grade lithium carbonate	Seven months	200,000 Milestone Shares and USD $50,000 cash
Evaluation Period	CleanTech Lithium Ltd will evaluate the results of the laboratory testing and decided unilaterally either to terminate the contract or move forward to the Pilot Plant construction	Three months	-
Pilot Plant	Build pilot plant at site to produce 10 tonnes per month of battery grade lithium carbonate for 3 consecutive months	12 months	1,000,000 Milestone Shares and USD $150,000 cash

Other contingent liabilities

In addition, contingent liabilities include broker commissions and fees relating to the IPO of approximately £395,000 and a further £5,000 in relation to a success fee for advisory support in the run up to the IPO.

13. OTHER RESERVES

Foreign exchange reserve

The foreign exchange reserve represents the differences arising on the translation of transactions from the functional currencies, namely: Chilean Pesos (CLP $) used for the Chilean entities; and Australian Dollars (AUD $) for the Australian entities (which were wound up 25-March-2022), into the presentation currency, Pounds Stirling (GBP £) at each reporting date.

Accumulated losses

The accumulated losses represents the consolidated losses of the Group, comprising the U.K., Chilean and Australian entities since their respective incorporation dates. Movements during the year represent the consolidated comprehensive loss for that year.

14. BORROWINGS

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Related party loans - repayable on demand	-	(53,843)
Borrowings	-	(53,843)

In 2018, to support the Group's exploration and evaluation and working capital funding requirements, Mr Baverstock provided an unsecured loan which was repayable on demand had an annual compound interest rate of 8%. The loan was repaid in full including accrued interest in July 2021.

The carrying value of borrowings approximated their fair value.

15. RELATED PARTY TRANSACTIONS

Director loans

Both Mr. Baverstock and Mr. Boitano are related parties by virtue of their directorships with the entities in the Underlying Group. In 2018 Mr. Baverstock provided loan financing to the Group to fund working capital and exploration and evaluation expenditure. The amounts provided are set out in Note 14 *"Borrowings"* to the Group non-statutory pro forma financial information.

Historically, Mr. Boitano also 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 during 2021. 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.

By virtue of their respective appointments to the Boards of CleanTech Lithium Limited and/or CleanTech Lithium Plc, related party transactions also include approximately £56,000 in equity settled share-based payments to discharge consulting fees owed to Gordon Stein and to Jonathan Morley-Kirk.

16. PAYABLES, PROVISIONS AND ACCRUALS

	Audited Year ended 31-Dec-21 £	Audited Year ended 31-Dec-20 £
Trade and other payable	(213,244)	-
Provisions	(85,274)	(90,759)
Accruals	(219,816)	-
Total	(518,334)	(90,759)

Trade and other payables include approximately £95,000 in pre-IPO funding round proceeds received just before the year end and with the allocation of shares taking place just after year end. The trade and other payables balance also includes approximately £59,000 relating to equity settled share-based payments made to consultants following allocation of shares again in relation to the IPO.

The provisions balance reflects the provision for taxes associated on the expenses classified as Director fees for Mr Boitano, refer Note 15 for further detail.

The accruals balance at 31 December 2021 reflects primarily the work in progress in relation to IPO costs paid post year end.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and debt. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity and have been classified at amortised cost.

The Group is exposed to a variety of financial risks by virtue of its activities, including liquidity risk, credit risk, foreign currency risk, interest rate risk and commodity price risk.

The Directors' objective with respect to risk management is to minimise potential adverse effects on the Group's financial performance and position. The Directors are responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they become due. The Group's ability to continue as a going concern is dependent on the Directors' ability to raise the funds required through future equity financings and asset sales, or a combination thereof. The Group has no regular cash flow from its operating activities.

The Directors manage the Group's liquidity risk by:

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

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

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

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk at the reporting date is the carrying value of the Group's receivables and cash. The Directors limit the Group's exposure to credit risk on liquid financial assets through maintaining the Group's cash with high credit-rated financial institutions.

Foreign currency risk

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

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

At 31 December 2021	
Effect on net assets of the Group:	£
Strengthened by 10%	(58,077)
Weakened by 10%	124,791

At 31 December 2020	£
Effect on net assets of the Group:	
Strengthened by 10%	(40,067)
Weakened by 10%	35,921

Interest rate risk

The Group is exposed to interest rate risk to the extent that the future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk is minimal as cash is placed in deposits held with financial institutions that generate modest investment returns and furthermore, the Group has no financial liabilities subject to variable interest rates.

Commodity price risk

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

18. CAPITAL RESERVE

The Group's financial information for the year ended 31 December 2021 reflects that of a non-statutory pro forma group. In Note 2, Basis of Preparation, the Group undertook several corporate transactions to optimise the corporate structure of the Group in preparation for the IPO which completed successfully on 17 March 2022. Although there was no change to the ultimate beneficial shareholders of the Group nor to the economic substance of the underlying cash generating units of the Group, a merger reserve

was created to represent the difference between the value of shares issued by the U.K. Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for using the merger accounting principles.

19. CAPITAL MANAGEMENT

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

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

20. NET DEBT RECONCILIATION

The table over leaf sets out an analysis of net debt and the movements in net debt for each of the years presented:

	Audited Year ended 31-Dec-21	Audited Year ended 31-Dec-20
	£	£
Cash and cash equivalents	3,230,997	95,635
Borrowings	-	(53,843)
Net debt	3,230,997	41,792

Net debt	Cash and cash equivalents	Borrowings	Total
	£	£	£
At 1 January 2020	83,690	(46,755)	36,935
Proceed from the issue of new equity	132,574	-	132,574
Cash flows	(120,629)	-	(120,629)
Non-cash movement	-	(7,088)	(7,088)
At 31 December 2020	95,635	(53,843)	41,792
Proceed from the issue of new equity	4,614,121	-	4,614,121
Cash flows	(1,478,759)	47,694	(1,431,065)
Non-cash movement	-	6,149	6,149
At 31 December 2021	3,230,997	-	3,230,997

21. SUBSIDIARY UNDERTAKINGS

At the date of this report, CleanTech Lithium Plc has the following subsidiary undertakings, all of which are wholly owned, directly or indirectly:

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

The financial information presented by the Group in this report also contains information relating to the two Australian entities, noting these were wound-up and formally deregistered on 25 March 2022. At 31 December 2021, the Australian entities also formed part of the Group. Australia has not been shown as a discontinued operation on the basis there has been no net change to the overall economic substance of the Group nor has there been a change to the ultimate beneficial owners of the Group arising from the corporate restructurings and subsequent deregistrations of the Australian entities.

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

22. SUBSEQUENT EVENTS

On 14 February 2022, a share exchange agreement between the shareholders of CleanTech Lithium Ltd and CleanTech Lithium Plc was agreed, resulting in the company becoming the new parent company of the Group.

On 18 February 2022, share options were awarded to various members of the Board and Management team as were outlined in the Admission Document.

On 17 March 2022 CleanTech Lithium Plc was admitted to trading on AIM, a market operated by the London Stock Exchange plc, under the ticker CTL. The admission to trading followed a successful IPO fundraise of £5.6 million before expenses.

Glossary

1H / 2H	First half of year / second half of year
ABC	Anti-Bribery and Corruption
CEOL	Spanish abbreviation for: Contract for Lithium Operations
CLS Pty	Chilean Lithium Salars Pty Limited (Australian overhead company now wound-up and deregistered)
CLSH	Chilean Lithium Salars Holdings Limited (Australian holding company now wound-up and deregistered)
CPI	Corruption Perception Index
CSR	Corporate Social Responsibility
CTL Ltd	CleanTech Lithium Ltd; U.K. registered and tax domiciled company
CTL Plc	CleanTech Lithium Plc; Jersey registered and tax domiciled company
DLE	Direct lithium extraction
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
EV	Electric vehicle
FCA	Financial Conduct Authority
Group	Non-statutory pro forma group as defined in the notes to the financial statement
HSE	Health Safety and Environment
IPO	Initial public offering
JORC	The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in public reports
LCE	Lithium carbonate equivalent
Li_2CO_3	Lithium carbonate
LSE	London Stock Exchange
MAR	Market Abuse Regulations
mg/L	micrograms per litre

PFS	Pre-feasibility study
PV	Photo Voltic
PPA	Power purchase agreement
QCA Code	Quoted companies alliance corporate governance code
TEM	transient electromagnetic method

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