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CleanTech Lithium PLC
15 September 2022

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

Unaudited Interim Results for six-month period ending 30 June 2022
and Share Option Plan

CleanTech Lithium (AIM: CTL), an exploration and development company, advancing the next generation of sustainable lithium projects in Chile, is pleased to announce its unaudited Interim Results for the six-month period ended 30 June 2022 ("1H 2022" or "the Period"), a copy of which will be made available on the Company's website https://ctlithium.com/

1H 2022 was a period in which the Company prepared for further growth in 2H 2022 and into 2023 through the following activities:

- The Company listed successfully on the AIM market of the London Stock Exchange ("LSE") in mid-March 2022, raising £5.6 million (before expenses) at a time when many other IPOs were being cancelled or postponed due to prevailing market conditions

- Undertook successful initial drilling campaigns at Laguna Verde and Francisco Basin projects - drilling deeper than planned in both basins and encountering deeper sub-surface brine aquifer zones than forecast

- Announced lithium grades of up to 409mg/L at Laguna Verde and up to 324 mg/L at Francisco Basin following independent laboratory analysis of brine obtained from both drilling campaigns; the Francisco Basin project is now a new lithium discovery in the resources sector with a maiden JORC resource expected to be announced in the near future

- Commenced Environmental Impact Assessment Studies ("EIA") at the Laguna Verde and Francisco Basin projects using international specialist service provider, MYMA, and a Scoping Study at Laguna Verde which is due to complete in Q4 2022

- Successfully produced 1kg of battery grade lithium from Laguna Verde brine, through laboratory Direct Lithium Extraction ("DLE") processes, with independent laboratory results confirming over 99.9% Li2CO3, with very low impurities

- Announced in late June 2022 it had applied for 119 new exploration licences, covering a total area of over 344km^2, which constitute the Llamara Project; opening up a greenfield project that compliments existing projects and offers significant additional lithium exploration potential, with the licences expected to be awarded in Q4 2022

- Continued and/or commenced early-stage discussions with potential strategic or future offtake partners - with real interest being shown in the potential of the Company's two/three projects from companies of substantial scale, and

- Ended the Period with cash in hand of £4,670k (30 June 2021: £185k) after incurring £1,992k on capex costs associated with the Company's work programmes in Chile.

After the period end, the Company has announced the following:

- The signing of an MoU with world-leading DLE company SunResin New Materials Co. Ltd ("SunResin"), for the further development of the Company's projects, including the provision of facilities for the Laguna Verde pilot plant testing programme in Chile, due to commence in Q1 2023

- Appointed Canaccord Genuity Limited ("Canaccord") in early August 2022 - a market leading broker with significant experience in the lithium sector - as Joint Broker

- Announced an updated JORC resource at Laguna Verde which increased the total resource by 22% from 1.244m tonnes to 1.512m tonnes LCE at a grade of 206mg/l - with the Measured and Indicated resource increasing from 78,000 tonnes to 803,000 tonnes - providing much higher confidence in the resource potential of the asset.

Period Highlights

Financial

- Raised £5.6m (before expenses) in a placing in mid-March 2022 as part of the IPO process - with investment both from existing shareholders and the introduction of some respected financial institutions

- Loss for period was £1,525k, which included approximately £790k of non-recurring IPO costs and approximately £340k in an accounting write-off to remove the Australian entities from the Group following their formal deregistration (1H 2021 loss of £236k). The underlying increase in overhead compared with H1 2021 largely being due to increased administrative costs arising from the expansion of management, staffing and contractors in Chile to support the operational programmes and development of the Company

- Spend on the Group's capital programmes totalled £1,992k during the Period (1H 2021; £455k), mainly incurred on the drilling campaigns at Laguna Verde and Francisco Basin, in addition to costs on the EIA studies and on technical work associated with the Company's projects in Chile

- Approximately £2,530k spent on the two drilling campaigns completed during the Period, compared to a budget of £2,060k - an overspend of £470k compared to the estimate in the Admission Document due to the impact of deeper drilling, initial teething problems while drilling in areas where no drilling had taken place before and some foreign exchange movements. These learnings will be taken forward into the next drilling campaigns, due to start at Francisco Basin and Laguna Verde in early Q4 2022

· Cash in hand of £4,670k at 30 June 2022 (30 June 2021 £185k)

· The CleanTech Group had no loans outstanding at 30 June 2022.

Corporate

· The Company changed its name from CleanTech Lithium (Jersey) Limited to Clean Tech Lithium Plc on 2 February 2022, in preparation for the IPO

· The transfer of shares in a share-for-share exchange from CleanTech Lithium Ltd to the Company completed in February 2022

· The Company listed successfully on LSE's AIM market, whilst many other planned listings were being cancelled or postponed due market concerns arising from the invasion of Ukraine by Russia, with trading commencing on 17 March 2022

· The two Australian entities which had formed part of the Group historically were wound-up and deregistered formally in late March 2022

Operational

· Established a fully-functioning management and operational team in Chile, reporting to the CEO - which included the appointment of a Chief Operating Officer, Operations Co-ordinator, Legal Manager, Finance Manager and reinforced the Chile team through the engagement of specialists in DLE, environmental management, hydrogeology and community relations.

· Undertook a drilling campaign at Laguna Verde between January and early June 2022, a campaign involving four wells which took around two months longer than planned as each well was drilled deeper than forecast, showing brine aquifer thicknesses averaging 43% larger than forecast from the pre-drilling geophysics model, as shown in the table below:

	Geophysics Model			Drilling			Diff. in aquifer thickness
	From	To	Thickness	From	To	Thickness	
LV01	110	280	170	126	463	337	98%
LV02	30	200	170	55	290	235	38%
LV03 *	30	260	230	117	431	314	37%
LV04	100	320	220	100	320	220	0%
Total							**43%**

*Drilling meters adjusted to true depth based on incline of well

· Results of brine assays, verified in independent laboratories in Argentina, confirmed that from hole LV03 average lithium grades of 245mg/L were recorded from samples taken from 335m to 497m

· Grades of between 349mg/L to 409 mg/L were measured in the deepest zone at LV03, providing a strong indication that higher lithium grades are present beneath the Laguna subsurface, an important factor for additional drilling and development planning

· Samples taken from hole LV01, collected from 356m to 473m were assayed, with average lithium grade of 217mg/L

· Temperatures of the brine reached between 20^{o}C - 30^{o}C starting within 65m of the surface, indicating a strong geothermal influence on the sub-surface brine at the project - potentially reducing field operating costs in future and the Company's environmental footprint

- Commenced a drilling campaign at Francisco Basin in March 2022, a campaign involving four wells which was curtailed in June 2022 after completing one well and suspending the second well at 150m at the onset of the more severe winter weather in Chile which makes drilling operations extremely challenging
    - First well drilled to 338m and encountered a 204m aquifer thickness, approximately twice what was forecast from the pre-drilling geophysics model
    - Assays for the brine samples were received from an independent laboratory, ALS Chile, with a peak grade of 324 mg/L and an average grade of 305 mg/L. This was an excellent result, far exceeding the Company's expectations from the pre-drilling geophysics analysis
    - The Company expects to produce a maiden JORC inferred resource estimate in the coming month based on these results, effectively announcing the discovery of a new lithium discovery

- 1kg of battery grade lithium from Laguna Verde brine produced successfully, through laboratory Direct Lithium Extraction ("DLE") processes. The benchmark for battery grade Lithium is >99.5% Li_2CO_3 and independent laboratory testing in Germany confirmed the sample had very low impurities with a grade of >99.9% Li_2CO_3. This was an excellent result for the Company, evidencing our DLE processes could produce battery grade lithium.

- Appointed specialist international environmental service provider, MYMA, in April 2022 to commence an EIA at Laguna Verde and Francisco Basin; commencing with initial baseline studies at both sites over the course of a year in accordance with standard EIA processes. Work has progressed well and the Company will look to obtain the necessary EIA approvals in mid-2024 in liaison with the relevant regulatory authorities. The Company commenced this work earlier than might normally be the case to maintain momentum on the project timetable in the hope lithium production can commence in late 2024/early 2025

- Commenced a Scoping Study at Laguna Verde in April 2022 which is progressing well and is expected to be complete in Q4 2022. This will be followed by the commencement of a Scoping Study at Francisco Basin and Pre-Feasibility Study ("PFS") at Laguna Verde to maintain momentum on both assets. Specialist contractors have already been engaged to undertake both activities, including Worley Parsons for the PFS.

Business Development

- Announced in late June 2022 it had applied for 119 new exploration licences, covering a total area of over 344km² within a large basin, which constitute the Llamara Project; opening up a greenfield project that compliments existing projects and offers significant additional exploration potential:
    - The Llamara Project is located within the highly prospective Lithium Triangle in Chile, 600km north of the Company´s two flagship projects, Laguna Verde and Francisco Basin
    - The projects relatively low altitude of 1,100m allows for year-round exploration which can continue during the winter break in site operations at 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 from the date of award, require minimal financial and work commitments over the next 18 month with application costs of less than US$100,000
    - The licence applications are proceeding in accordance with the licence process and are expected to be awarded within Q4 2022.

· Continued and/or commenced early-stage discussions with potential strategic or future offtake partners - with real interest being shown in the potential of the Company's two/three projects from companies of substantial scale.

Outlook

The focus of the Company for 2H 2022 is as follows:

· To provide further JORC upgrades for both Laguna Verde and Francisco Basin following the drilling campaigns in 1H 2022

· To continue to progress the planned work programmes in Chile with the commencement of the second drilling campaigns at Laguna Verde and Francisco Basin to further upgrade our JORC resource base and to seek to determine the potential of Llamara through an initial exploration well - with all three drilling campaigns commencing in Q4 2022

· To complete the Scoping Study for Laguna Verde which will allow our shareholders and the market to see the economic potential of this asset, and to commence a similar study at Francisco Basin to be completed in the first part of 2023

· To make all the necessary arrangements for the operational commencement of the pilot plant at Laguna Verde in early 2023, working with SunResin and Beyond Lithium to optimise the design and functionality of the pilot facilities and ensure that the outputs from those tests are sufficient to contribute towards the construction design and ultimate operation of a full-scale commercial lithium production facility

· To provide all necessary information and support for MYMA who are undertaking the EIA baseline studies to maintain momentum on that critical element of the forward work programme, and

· To position the Company as strongly as possible for planned discussions with potential strategic partners, interested offtakers and other parties who would allow the Company to optimise its forward position on our asset portfolio.

Share Option Plan

· On page 53 of the Admission Document, it was noted that it was the Company's intention to adopt a long-term incentive plan. The Directors recognise the role of the CleanTech Group's staff in contributing towards its overall success and the importance of the Group's ability to incentivise and motivate its employees. The Directors therefore believe that certain staff members (including long-term contractors) should be given the opportunity to participate and take financial interest in the success of the Company.

· With the assistance of the Company's lawyers, the Remuneration Committee has approved the establishment of a share option plan which includes certain performance measures for the vesting of those options. These performance measures are linked to the successful achievement of JORC resource upgrades, a successful PFS at Laguna Verde and the success of the pilot plant producing battery grade lithium carbonate or lithium hydroxide. The Company will grant the following share options to executive directors, management and staff members in Jersey, the UK and Chile for a 5-year period from the date of grant:

Executive directors, management & staff	Number of options	Exercise price ***
Aldo Boitano *	510,000	57 pence

Gordon Stein *	459,000	57 pence
Jason Baverstock **	360,000	57 pence
Other staff members (employees and long-term contractors/ service providers) - 8 staff members	1,620,000	57 pence
Total	**2,949,000**	

[*] Executive director
[**] PDMR - person discharging managerial responsibilities
[***] The exercise price is based on the average closing share price over the three working days prior to grant of the awards.

Aldo Boitano, Chief Executive Officer of Cleantech Lithium, commented:

"The first half of 2022 has seen CleanTech Lithium make terrific strides forward in our understanding of the potential value of our flagship assets. Our drilling campaigns have produced results we are really pleased with and we will continue to drive forward on our work programmes in 2H 2022 to optimise their potential value.

"We have also added in another asset opportunity of significant potential scale to our portfolio, Llamara, with the formal ratification of the award of these licences expected in Q4 2022, following which we are looking forward to undertaking an exploration well on that asset. Our Board is excited at the potential of this opportunity which was obtained at very low cost and using effective M&A processes.

"We thank our shareholders again for their patience as we progress our plans. Our Board and management are taking a very measured and professional approach to our work programmes, making sure we leave no stone unturned in our drive to unlock the inherent value we see in our assets. We have bolstered our management team in Chile with specialist skills and we now have a team in place ready to see the Company well on the way to lithium production.

"We expect to have conversations soon with potential strategic partners once we have completed our scoping studies and when we have upgraded our JORC resources on our projects.

"These are exciting times for our Company and we shall look to update our shareholders and the market regularly on our progress over the coming months."

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Notes

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

Chairman and Chief Executive Officer's Review

The following is a summary of a very exciting first half of 2022:

Business Strategy:
The first half of 2022 has seen much progress, as highlighted in the paragraphs below. The Company outlined its business strategy in the Admission Document completed just prior to our IPO in March 2022 and our strategy has not changed as we move through 2022 and continue to drive our activities forward on all fronts. Our Board and management are taking a very measured and professional approach to our work programmes, making sure we leave no stone unturned in our drive to unlock the inherent value we see in our assets. That said, we are still following a reasonably fast-tracked programme towards lithium production, demonstrated by the fact we have already commenced critical activities required before that can be achieved, such as the EIA process. Moving forward with such activities now brings eventual production that much closer.

We have also added an extra project to our portfolio in Chile, Llamara, an asset which our Board believes has the potential to deliver considerable added value. We will be moving forward with drilling on that project before the end of 2022, as highlighted below.

Along with our other assets we continue on the path to deliver "clean" lithium to the worldwide market, hoping to achieve some of the cleanest lithium in the world.

Successful Drilling Campaigns:
The Company was at last able to undertake successful drilling campaigns at its two main assets, Laguna Verde and Francisco Basin. After all the planning and technical work undertaken throughout 2021, in preparation for both campaigns, the £4.0m (before expenses) raised in pre-IPO funding in late 2021 allowed the Company to commence the first real exploration drilling campaigns on both assets in 1H 2022. These campaigns were on assets where there had been no successful drilling previously to identify a lithium resource base. This was a major move forward for the Company, allowing us, at last, to properly evaluate the resource potential of each asset through drilling and also establish the lithium grades and potential for further development. Drilling commenced on Laguna Verde in January and at Francisco Basin in March 2022, ending with the arrival of winter weather in early June in Chile.

Whilst there were inevitable challenges in both campaigns, as is normal in basins at heights of greater than 4,000 metres where there has been minimal or no drilling activity historically, the Company ultimately achieved better results than expected. The drilling of all of the wells took longer than planned as the sub-surface brine aquifers were thicker than that estimated from the pre-drilling geophysics; indeed 43% thicker on average at Laguna Verde and over twice the expected thickness at Francisco Basin. This was obviously very welcome and bodes well for future resource upgrades and activities on both assets.

Another very positive, if somewhat surprising, feature of the drilling campaign at Laguna Verde concerned the temperatures of the brine samples taken which reached up to 28.2^{o}C at LV01 and 30.6^{o}C at LV03, indicating a strong geothermal influence on the sub-surface brine at the project - potentially reducing field operating costs in future and the Company's environmental footprint. This is in the optimal temperature range for the direct lithium extraction ("DLE") adsorption process based on test-work by key technical partners SunResin and Beyond Lithium. Heating brine can be a significant component of a DLE plant´s energy consumption and operating costs. Feasibility studies will evaluate the impact of this geothermal influence on reducing operating costs and the environmental footprint of the project.

The above campaigns were carried out without any lost time incidents, with the health and safety of our employees and contractors being of the highest priority. This involved the introduction of special protocols for visits by any personnel to Lagune Verde and Francisco Basin, given that they are both more than 4,000 metres above sea level. The Company will continue to ensure that health and safety is given the prominence it deserves.

Admission to Trading on AIM:
Another key priority in Q1 2022 was to list the Company on the AIM market of the LSE, an objective the Company had promised its shareholders in 2021 it would achieve at the earliest opportunity. The Company spent many months working with our advisors in 4Q 2021 and early 2022 on restructuring the Group to ensure the Company was in the best position possible to successfully list on AIM. This included a share for share exchange from our UK company to a new Jersey-registered top company, with our shareholders approving the transfer of shares by Special Resolution in late January 2022. Together with various other restructuring activities and the completion of a 258-page Admission Document, the

Company was successfully listed and admitted to trading on AIM on 17 March 2022. This was an excellent achievement, given we understand that many planned listings on AIM were cancelled or postponed at that time due to the market conditions created by the Russian invasion of Ukraine in late February.

The Company's Board would like to express its thanks to all of its advisers in Jersey, the UK and Chile; in particular, our Nomad, broker, legal firms, reporting accountant, auditor, competent person, company secretaries, PR support and more. It was a tremendous team effort, allowing the Company and its shareholders to move forward with ambitious plans as a public company.

Successful IPO Placing:
In conjunction with its listing on AIM, the Company was able to secure £5.6 million (before expenses) in a placing which was a terrific achievement given the market conditions at the time. This was also achieved at a placing price 50% above that of the pre-IPO in late December 2021. Participants in the placing included many current shareholders and also a few well-known financial institutions who could see the longer-term potential for the Company. The Board was delighted to refresh and add to our shareholder register through that placing and looks forward to delivering real growth for all of those shareholders over the coming years. That placing allowed our work programme to move forward at pace in 1H 2022, with more details highlighted below.

Management Team in Chile:
In order to deliver the detailed work programme, it was necessary to bolster the management and support team in Chile. At the end of 2021, the Company had just three staff members in Chile, including the CEO Aldo Boitano, but has, over the course of 1H 2022, built a strong management and supporting team consisting of expertise in operations, DLE processes, legal, environmental issues, health & safety, procurement, community relations and finance. The Company has also engaged expertise in quality control processes to ensure proper documentation is in place for all of its operations and processes and has engaged a leadership adviser to work with the management team on an active programme to ensure the team delivers on all of the Company's work programme goals efficiently and effectively. The team in Chile has therefore increased to 10 local staff members, with 50% of them being female as the Company nears Q4 2022.

The Company also works with various consultants and contractors to deliver the agreed work programmes including drilling expertise, EIA support, Scoping Study work, DLE support and various other necessary work activities. Contracts are also being established for the commencement of the Pre-Feasibility Studies ("PFS") with internationally recognised specialists and on other aspects of the planned pilot plant at Laguna Verde - further referenced below.

Sample Results and Battery Grade Lithium:
The two drilling campaigns produced very positive results with grades of up to 409 mg/L at Laguna Verde and up to 324 mg/L at Francisco Basin. Whilst average grades were lower, they were still well within the range of what would be acceptable for our planned DLE processes. Indeed, the Company was delighted to announce in early June 2022 that, working with Beyond Lithium, we had successfully produced battery grade lithium in an Argentinian laboratory using our own resin with results which were certified by an independent laboratory in Germany. The benchmark for battery grade Lithium is >99.5% Li2CO3 and the testing confirmed the sample had very low impurities with a grade of >99.9% Li2CO3. This was an excellent result for the Company, evidencing our DLE processes could produce battery grade lithium.

JORC Resource Upgrades:
The outcome of our drilling campaign at Laguna Verde was announced recently with an upgraded JORC resource estimate of 1.51 million tonnes of LCE at a grade of 206mg/L at the Laguna Verde project, with the majority of the resource being upgraded from an existing Inferred estimate to the much higher confidence categories of Measured and Indicated. This was a 22% increase from the 1.238 million tonnes maiden resource from July 2021 where only 6% was Measured and Indicated. That has now increased to 0.803 million tonnes or 53% of the new resource amount providing much higher confidence in the resource potential of the asset.

The Board was very pleased at this resource upgrade which now provides the basis for a PFS with a base case production rate of 20,000 tonnes LCE per annum, which is expected to utilise 100% renewable energy for process power providing green lithium to the EV industry. Laguna Verde is unique in being a geothermal influenced brine resource starting from near surface, which the Company thinks will positively impact operating costs and reduce the environmental footprint.

DLE and Pilot Plant:
As a result of the successful DLE tests, referred to above, the Company is now moving forward with its plans for the pilot testing of the DLE processes. In this regard, the Company was delighted to announce,

post Period-end, that it had signed an MOU with world-leading DLE company, SunResin, for the further development of the Company's projects, including the provision of facilities for the Laguna Verde pilot plant testing programme in Chile, due to commence in Q1 2023.

SunResin, a Chinese company listed on the Shenzhen Stock Exchange with a market value of around US$4 billion, will work with the Company and its DLE technical partner, Beyond Lithium, on the planned pilot scale production tests on Laguna Verde brine. Both parties will further look to negotiate commercial terms which would allow the Company to fast-track development of its projects to deliver battery grade lithium to the international market using SunResin's modular DLE plants.

The Company had been in discussions with SunResin for a few years on DLE matters having previously completed trials on surface brine from both Francisco Basin and Laguna Verde projects and the Board was delighted to be able to formalise the relationship going forward. SunResin has over 10 years of experience in DLE, having executed nine commercial DLE contracts representing a total capacity of 73,000 tonnes per annum of lithium. Their DLE technology also has high recoveries with low costs and expedited processing times and SunResin also provides pilot scale units which can be deployed to site with a view to commencing pilot scale production at Laguna Verde by early 2023.

The Company is planning to order the first pilot scale unit in the near future - with the objective of the piloting being to demonstrate the potential for a first phase 10,000 tonne per annum commercial scale production (of a full-scale 20,000 tonne facility) being planned at each of the Company's projects.

The Company and SunResin will also look to negotiate commercial terms towards the construction, commissioning and operation of a commercial scale DLE plant.

SunResin recently demonstrated its ability to deliver by announcing the shipment from China of 10,000 tons of modular DLE units for a 25,000 tonne per annum lithium production plant (Phase 1) for a project in Argentina - just five months after the contract was signed in February 2022. Production is due to start at that site in 1H 2023. That demonstrates that, working with SunResin, the Company is in a far better position to achieve early production, given their ability to move at pace with their partners, when required.

EIA and Scoping Study:

In order to maintain momentum on our planned trajectory towards the production of battery grade lithium from our two assets in late 2024/early 2025, the Company has already commenced work on obtaining EIA clearance in Chile - which is required before the Company is able to commence the construction phase of both projects. The Company engaged international environmental consultants MYMA Ltd, to undertake the EIA at the Laguna Verde and the Francisco Basin projects in April 2022. MYMA offers environmental management services for companies in the mining, energy and water sectors, and has completed EIA´s for some of the largest operating mines in Chile. Baseline environmental studies at both projects commenced in April 2022 and will record relevant data over the course of the four seasons. The Company's staff are working with specialist environmental advisers and MYMA to ensure the detailed EIA work schedule is maintained on track and this will include liaison with the relevant regulatory bodies in Chile, as well as local communities, etc.

The Company also engaged Ad Infinitum to undertake a Scoping Study of Laguna Verde with this work also commencing in April 2022. This will look at all aspects of establishing a 20,000-tonne lithium production facility at Laguna Verde and will provide information on the commerciality of the project under various scenarios. Completion of the Scoping Study is expected in October or November 2022 with this then triggering the start of the PFS, referred to earlier. Worley Parsons have been engaged to undertake the PFS which is expected to take around 9 months to complete.

Finance:

The CFO and Group Financial Controller have established effective financial control processes and are working with RSM, an international firm, who provide back-office accounting and tax compliance support services in Jersey, the UK and Chile. Costs are tightly controlled through agreed budgets and regular reports are prepared for management and the Board with new cashflow forecasts being provided. A Finance Manager has also been engaged in Chile as part of the management team to ensure appropriate controls are in place as the Company moves forward on our work programmes on our three assets.

Since the successful pre-IPO funding in December 2021, the Company incurred costs of around £1,992k on capex activities during the Period, mainly on the two drilling campaigns which cost approximately £2,530k over Q4 2021 and 1H 2022. In total, the drilling campaigns cost £470k more than originally budgeted, largely due to the impact of deeper drilling, some technical challenges on assets where there has been no previous drilling experience and also in foreign exchange movements. The Board was clearly happy to continue to drill deeper, despite the increased costs, due to the very positive effects the larger sub-surface aquifers would have on the resource. The lessons learned from both drilling campaigns leave the Company in a stronger technical and financial position going into the next drilling campaigns which are due to commence in the coming weeks.

The Company had cash balances across the Group of £4,670k on 30 June 2022 (£185k on 30 June 2021) and is well placed financially to maintain momentum on its work programmes going forward.

Appointment of Joint Broker:
After the period end, the Company engaged the services of Canaccord Genuity as joint broker from 1 August 2022 to work alongside Fox-Davies Capital going forward. Canaccord Genuity is a well-diversified global bank and asset manager with regional heritage in each of its jurisdictions. They have approximately 2,380 employees, a strong balance sheet of C$728 million of net working capital, a global wealth management business with >C$100 billion in client assets and operations in 10 countries. They are committed to further development in key markets and sectors, including metals and mining in the UK. They take particular pride in specialising in certain sub-sectors, one of which is lithium, where their knowledge globally is unrivalled. They are one of the few banks to publish their own supply/demand and pricing analysis for a range of lithium products, having 4 research analysts specialising in the space, covering over 20 lithium companies globally and hosting global roadshows and specialist events (such as a DLE webinar) for investors and companies internationally.

It is known that Canaccord Genuity normally only engage with clients larger than CleanTech Lithium. However, the Board was encouraged that Canaccord clearly viewed CleanTech Lithium as a company with the significant growth potential and also that they were very keen to add the Company to their lithium client portfolio. They also have a long reach into potential strategic investors internationally and, the Board believes, could help the Company secure the funds necessary to enable both flagship assets to move successfully through the construction phase in the coming years.

Chile:
Throughout the Period and until recently, there has been some market concern about the intentions of the new Chile Government which was appointed in March 2022. The country was also looking to approve a new constitution and in drafting the proposed new constitution, in 1H 2022, there were numerous proposals made which added to the concerns of the market and investors. There were also rumours about the possibility of nationalisation of the mining industry or certain industries, including lithium.

The Board was always of the view that the "more contentious" proposals which were written about by international journalists would not make it into the final draft constitution and that proved to be the case in practice. Indeed, on 4 September 2022, the voters of Chile rejected the new constitution by a vote of around 62/38 so Chile will now go into a period of reflection pending new proposals - with more moderate proposals likely to emerge over the coming year. In the meantime, the current constitution remains in force, along with all current mining laws, regulatory processes and taxation regimes which the Company is happy to continue to work with.

The Company has regular conversations with representatives of the new Government who are keen to see lithium being produced in Chile in an ethical and environmentally sound manner. CleanTech Lithium is viewed, we understand, in a very positive light because we plan to produce some of the cleanest lithium in the world and the Company looks forward to continuing to work with the Government in a collaborative manner going forward.

Business Development:
The Company holds the rights to two very exciting assets in Laguna Verde and Francisco Basin but was always keen to continue to expand its footprint and asset portfolio in the lithium sector in Chile, should that make business sense. An active programme of discreetly looking for additional opportunities was undertaken over the course of the past 2-3 years and the Company was therefore delighted to announce in late June 2022 that it had applied for 119 new exploration licences, covering a total area of over 344km^2 within a large basin, which constitutes the Llamara Project; opening up a greenfield project that compliments existing projects and offers significant additional exploration potential.

The Llamara Project is located within the highly prospective Lithium Triangle in Chile, 600km north of Laguna Verde and Francisco Basin. The projects relatively low altitude of 1,100m will allow for year-round exploration which can continue during the winter break in site operations at Laguna Verde and Francisco Basin. Historical geophysics lines by an oil exploration company, acquired by the Company, indicate an extensive deep brine aquifer in the project area with an aquifer thickness of several hundred metres. 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 from the date of award, require minimal financial and work commitments over the next 18 month with application costs of less than US$100,000. This was a tremendous achievement by the Company, effectively accessing the licences through the Chile court system adeptly.

Following completion of the licencing process, the Company plans to drill an exploration well at Llamara before the end of Q4 2022, funded from existing cash resources, and a team has already visited the site within the past week to start planning the campaign. Llamara is an extensive footprint - significantly larger in square kilometres than the Company's other two assets combined - so if the exploration campaign later this year is successful and discovers lithium at sufficient grades for DLE, then this could be a significant new world-wide play.

The Board is very keen to see the outcome of this very exciting opportunity and would hope to announce the results of the exploration well, probably in early 2023.

Strategic Partners:
Many of CleanTech Lithium's peers in the lithium space have developed relationships with strategic partners or offtakers for their future lithium production from an early stage, including many household names such as Ford, BMW, Mercedes, international traders and battery manufacturers. Some of these relationships include non-binding agreements. The Company has, however, followed a strategy of looking to establish the fundamentals of our business first before entering into detailed conversations with potential partners; for example, upgrading our JORC resources at both main projects to more sizeable levels, especially to the Measured and Indicated category, and also in completing scoping studies which will define the commercial value of each of the projects in greater detail. The scoping studies will also form a foundation for commercial discussions with interested parties.

It is the Board's belief that there will be many parties interested in working with CleanTech Lithium in jointly developing our assets through the construction stages and in securing offtake of lithium through that relationship. These parties are likely to be large in scale, including many household names.

The Company has already had some initial approaches and has two large parties under NDA, although conversations are at an early stage at present. As mentioned, the Company will look to increase the level of its conversations with interested parties once our scoping studies have been completed and plans to start such conversations later this year with the hope of announcing a strategic partnership with a suitable party in 1H 2023.

It is also expected that Canaccord Genuity will be able to assist the Company secure the "right partner/s". Through their offices in Europe, North America, Australia and China, they have an extensive reach, and the Company is looking forward to working with Canaccord and others in the coming months to look to establish commercial relationships which add material value for our Company and shareholders.

Share Price performance:
Since the Company listed in March 2022, the Board and management have been focussed on delivering on the work programme set out in the Admission Document which was issued at that time. Making sure the fundamentals of the business are addressed and that momentum is maintained, following best business practices along the way, has been a priority for the Board and management. In Q2 2022, the Company's share price was initially affected by certain shareholders taking the opportunity to sell some or all their stock in a public market, now some liquidity had come into play. This took place over a few months, but the Board was always confident that providing the Company was able to demonstrate - through actions and delivery - that it was fulfilling its work programme, and based on the fundamentals, the Company's share price would start to reflect the real value of its assets and their potential.

The Board is pleased to see the recent upward trend in our share price and will continue to focus on delivering on our work programmes. There have been some delays, for example on the time period of the two drilling campaigns, but with this being due to the drilling of deeper wells with far larger sub-surface aquifers than expected; these delays were actually a very good thing for the Company given the resulting resource upgrade impact, despite the inevitable increased costs.

Our Board will look to keep the market and our shareholders up to date with our progress, wherever possible. The Company has also been more proactive of late in our marketing and PR campaigns to current and potential investors. We have many good things to talk about now as much has been achieved and we will continue along this path in the coming months.

Share Option Plan:
As noted on page 53 of the Admission Document, it was the Company's intention to adopt a long-term incentive plan. The Directors recognise the role of the Group's staff in contributing towards its overall success and the importance of the Group's ability to incentivise and motivate its employees. The Directors therefore believe that certain staff members (including long-term contractors) should be given the opportunity to participate and take financial interest in the success of the Company.

With the assistance of the Company's lawyers, the Remuneration Committee has approved the establishment of a share option plan which includes certain performance measures for the vesting of those options. These performance measures are linked to the successful achievement of JORC resource upgrades, a successful PFS at Laguna Verde and the success of the pilot plant producing battery grade lithium carbonate or lithium hydroxide. The Company will grant the following share options to executive directors, management and staff members in Jersey, the UK and Chile for a 5-year period from the date of grant:

Executive directors, management & staff	Number of options	Exercise price ***
Aldo Boitano *	510,000	57 pence

Gordon Stein *	459,000	57 pence
Jason Baverstock **	360,000	57 pence
Other staff members (employees and long-term contractors/ service providers) - 8 staff members	1,620,000	57 pence
Total	**2,949,000**	

[*] Executive director
[**] PDMR - person discharging managerial responsibilities
[***] The exercise price is based on the average closing share price over the three working days prior to the grant of the awards.

Finally, we would like to thank all our employees, contractors and counterparties for their hard work over the first half of 2022, for they have set the foundation for an exciting and rewarding second half of the year.

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Steve Kesler, Non-Executive Chairman,
CleanTech Lithium plc

14 September 2022

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Aldo Boitano, Chief Executive Officer,
CleanTech Lithium plc

14 September 2022

INTERIM FINANCIAL RESULTS

Statement of Comprehensive Income

	Notes	Unaudited Six months ended 30-Jun-2022 - £	Unaudited Six months ended 30-Jun-2021 Pro forma £	Audited Year ended 31-Dec-21 Pro forma £
Income		-	-	-
Administrative costs	5	(1,183,180)	(230,660)	(1,201,122)
Operating loss		(1,183,180)	(230,660)	(1,201,122)
Finance cost		(2,258)	(4,890)	(3,579)
Loss on disposal of wholly owned subsidiary	6	(339,331)	-	-
Loss before tax		(1,524,769)	(235,550)	(1,204,702)
Income tax	8	-	-	-
Loss for the period after tax		(1,524,769)	(235,550)	(1,204,702)
Other comprehensive income/(loss):				
Foreign exchange differences arising on translation of functional currencies		100,588	(10,160)	1,854
Total comprehensive loss for the period		(1,424,181)	(245,710)	(1,202,848)

Loss per share				
Basic	9	(0.020)	n/a	n/a
Diluted	9	(0.019)	n/a	n/a

The Pro Forma Group was prepared on an aggregated basis. Accordingly, the requirement of IAS 33 to disclose earnings per share for 2021 has not been presented.

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

Statement of Financial Position

	Notes	Unaudited as at 30-Jun-22 - £	Unaudited as at 30-Jun-21 Pro forma £	Audited as at 31-Dec-21 Pro forma £
Exploration and evaluation assets	10	2,757,303	514,280	765,115
Non-current assets		2,757,303	514,280	765,115
Cash and cash equivalents		4,669,600	184,650	3,230,997
Trade and other receivables	11	484,887	-	51,461
Current assets		5,154,487	184,650	3,282,458
Trade and other payables	15	(248,499)	(54,000)	(213,244)
Provisions and accruals	15	(82,876)	(98,542)	(305,090)
Current liabilities		(331,375)	(152,542)	(518,334)
Total liabilities		(331,375)	(152,542)	(518,334)
Net assets		7,580,415	546,388	3,529,239
EQUITY AND RESERVES				
Share capital	12	10,526,557	1,111,211	5,051,201
Capital reserve	16	262,094	262,094	262,094
Foreign exchange reserve		78,679	(4,878)	(21,909)
Accumulated losses		(3,286,915)	(822,039)	(1,762,146)
Total equity and reserves		7,580,415	546,388	3,529,239

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

These financial statements were approved and authorised for issue by the Board of directors on 14 September 2022 and were signed on its behalf by:

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Gordon Stein, Chief Financial Officer,
CleanTech Lithium Plc

Statement of Changes in Equity

	Share Capital	Capital Reserve	Foreign exchange	Accumulated losses	Total

			reserve		
	£	£	£	£	£
1 January 2021 pro forma	2	601,425	(23,763)	(557,444)	20,220
Comprehensive loss for the year	-	-	1,854	(1,204,702)	(1,202,848)
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
Comprehensive loss for the period	-	-	100,588	(1,524,769)	(1,424,181)
Shares issued	5,475,357	-	-	-	5,475,357
30 June 2022	10,526,557	262,094	78,679	(3,286,915)	7,580,415

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

Statement of Consolidated Cash Flows

	Unaudited Six months ended 30-Jun-2022 - £	Unaudited Six months ended 30-Jun-2021 Pro forma £	Audited Year ended 31-Dec-21 Pro forma £
Loss after tax for the period	(1,524,769)	(235,550)	(1,204,702)
Non-cash items:			
Equity settled transactions or services	4,040	1,309	97,747
Loss on disposal of wholly owned subsidiary	339,331	-	-
Movement in receivables	(433,426)	-	(51,461)
Movement in payables	(275,231)	7,783	442,823
Movement in provisions	(6,729)	-	(5,485)
Finance costs	2,258	158	3,579
Net cash used in operating activities	(1,894,526)	(226,300)	(717,499)
Expenditure on exploration and evaluation assets	(1,992,188)	(455,254)	(695,929)
Net cash used in investing activities	(1,992,188)	(455,254)	(695,929)
Proceeds from issue of ordinary shares	5,471,439	770,570	4,614,121
Finance costs	(2,258)	-	(3,579)
Borrowings and loans - related party	-	-	(47,695)
Net cash generated from financing activities	5,278,182	770,570	4,562,847
Net cash inflow	1,582,468	89,015	3,149,418
Cash and cash equivalents brought forward	3,230,997	95,635	95,635
Net cash inflow	1,582,468	89,015	3,149,418
Effect of exchange rate changes	(143,865)	-	(14,056)
Cash and cash equivalents carried forward	4,669,600	184,650	3,230,997

The accompanying notes are an integral part of these financial results.

Notes to the Financial Statements

1. GENERAL INFORMATION

CleanTech Lithium Plc, the formation of the CleanTech Group and accounting for the 2022 interim results

CleanTech Lithium Plc (the "Company") 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 changed 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 formation of the CleanTech Lithium Plc Group (the "CleanTech Group" or "Group"). The Company became the new parent company of CleanTech Lithium Ltd and its subsidiary undertakings (together 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, under the ticker CTL. The admission to trading followed a successful IPO fundraise of £5.6 million before expenses.

In preparing the consolidated financial information for the CleanTech Group the Directors considered the guidance in IFRS 3 "Business Combinations" as the appropriate basis on which to presenting the results for the CleanTech Group for the six months ended 30 June 2022. For the comparative periods, namely for the six-month period ended 30 June 2021 and as at 31 December 2021, the Directors have prepared financial information on a non-statutory pro forma basis. This has been done to allow the financial results of the CleanTech Group and the results of the non-statutory pro forma group (Pro forma Group) to be read on a numerically comparable basis.

Formation of the Underlying Group and the accounting for 2021 results (interim and full year)

CleanTech Lithium Ltd ("CTL Ltd") is 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.

In preparing the 2021 results, the Directors concluded that the Pro forma Group fell outside of the scope of IFRS 3. To address this, in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, and in order to develop an appropriate accounting policy, the Directors 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 for 2021 was 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 results for the six months ended 30 June 2021 and for the year ended 31 December 2021 were 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 of the 2021 results. No fair value adjustments have been made because of the combination.

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.

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, they 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.

· 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.

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 principal accounting policies adopted in the preparation of CleanTech Group financial results for 2022 and in the preparation financial results for the Pro forma Group for 2021 are set out below.

In accounting for the interim results for the six months ended 30 June 2022 for the CleanTech Group, the Directors have adopted IFRS 3 "Business Combinations" as appropriate. The non-statutory pro forma group results for 2021 comprise the consolidated financial information of the Underlying Group and aggregated the financial information of the Company to create the Pro forma Group.

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.

The non-statutory financial pro forma statements which present the 2021 financial results include the financial information of:

- 100% of the Jersey entity, namely CleanTech Lithium Plc, 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.

For the purposes of the 2021 results, the Pro forma Group's financial information were 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.

Statement of compliance
The CleanTech Group's financial statements have been prepared in accordance with U.K. adopted International Accounting Standards (U.K. IFRSs). Accordingly, the interim financial statements do not include all of the information or disclosures required in the annual financial statements.

Going concern assessment
The CleanTech Group's interim financial results for the six months ended 30 June 2022 have been prepared assuming the CleanTech Group will continue as a going concern.

Under the going concern assumption, the CleanTech 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 Underlying Group enhanced its business position materially through the streamlining of corporate structure and the raising of approximately £4.8 million gross proceeds, which was augmented in 2022 by a further £5.6 million IPO raise following the formation of the CleanTech Group as a statutory group.

Whilst the Directors remain acutely cost conscious and value focussed, the Group recognises that to accelerate operations and 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. 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 interim financial results. 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 CleanTech Group's interim financial statements.

Standards and interpretations issued but not yet applied
At the date of the interim financial results, 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 interim financial results 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 CleanTech Group's interim financial statements for 2022 which is consistent with the Pro forma Group results for 2021.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the 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 CleanTech 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 10.

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 CTL Ltd and CTL Plc, the functional currency is to be Pounds Sterling (GBP £). For Group reporting purposes, the Directors have determined it most appropriate to utilise Pounds Sterling (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. ADMINISTRATION EXPENES

Administration expenses are shown after charging approximately £790k non-recurring expenses associated with CleanTech Lithium's Initial Public Offering.

6. LOSS ON DISPOSAL OF WHOLLY OWNED SUBSIDIARY

On 25 March 2022 the Group received formal notification from the Australian Securities & Investments Commission that under section 601AA(4) of the Corporations Act 2001 both Chilean Lithium Salars Holdings Pty Ltd and Chilean Lithium Salars Pty Ltd were deregistered. The deregistration of these two group entities formalised their disposal from the group. Accordingly, the carrying value of these entities has been written-off.

7. 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 now wound up) and in the U.K.

At 30 June 2022	Chile	U.K., Jersey and other	Total
	£	£	£
Exploration and evaluation assets	2,757,303	-	2,757,303
Non-current assets	2,757,303	-	2,757,303

Trade and other receivables			
Related party and inter-group receivables	393,020	91,867	484,887
Cash and cash equivalents	94,050	(94,050)	-
Current assets	322,364	4,347,236	4,669,600
Trade and other payables	(186,180)	(54,400)	(240,579)
Provisions and accruals	(3,675,170)	3,675,170	-
Current liabilities	(78,545)	(12,250)	(90,795)
Net assets	(373,158)	7,953,574	7,580,415

At 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

Six months to 30 June 2022	Chile	U.K., Jersey and other	Total
	£	£	£
Loss / (earnings) before income taxes	(89,717)	1,614,486	1,524,769
Income taxes	-	-	-
Loss / (earnings) for the six months	(89,717)	1,614,486	1,524,769
Other comprehensive expense			
Foreign exchange differences arising on translation of subsidiaries	(5,395)	(95,194)	(100,588)
Total comprehensive loss / (earnings) for the six months	(95,112)	1,519,292	1,424,181

Six months to 30 June 2021	Chile	U.K., Jersey and other	Total
	£	£	£
Loss before income taxes	209,869	311	210,180
Income taxes	-	-	-
Loss for the six months	209,869	311	210,180
Other comprehensive expense			
Foreign exchange differences arising on translation of subsidiaries	(10,500)	20,661	10,160
Total comprehensive loss for the six months	199,369	20,972	220,341

8. INCOME TAX

Income tax expense

The CleanTech Group accrued £nil income tax expense in the six months to 30 June 2022 (£nil, 2021).

The standard rate of corporation tax in Jersey is nil % (2021: nil %) which differs from the tax rates in foreign jurisdictions as follows: Chile tax rate of 27% (2021: 27%); Australia tax rate of 30% (2021: 30%); and U.K. tax rate of 19% (2021: 19%)

	Unaudited Six months ended 30-Jun-2022 £	Unaudited Six months ended 30-Jun-2021 £	Audited Year ended 31-Dec-21 £
Loss before taxation	(1,521,483)	(235,550)	(1,204,702)
Total current tax expense	-	-	-

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

9. LOSS PER SHARE

The calculation of basic loss per ordinary share is based on the loss after tax and on the weighted average number of ordinary shares in issue during the period.

The calculation of diluted loss per share is based on the loss after tax on the weighted average number of ordinary shares in issue plus weighted average number of shares that would be issued if dilutive options and warrants were converted into shares.

The 2021 financial information was prepared on an aggregated basis, consequently, the requirement of IAS 33 to disclose earnings per share for 2021 has not been presented.

Basic and diluted loss per share	Unaudited Six months ended 30-Jun-2022 £	Unaudited Six months ended 30-Jun-2021 £	Audited Year ended 31-Dec-21 £
Comprehensive loss before taxation	(1,424,181)	(235,550)	(1,204,702)
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	71.26	n/a	n/a
Weighted average number of ordinary shares used in calculating diluted loss per share (millions)	75.22	n/a	n/a
Basic loss per share (GBP £)	(0.020)	n/a	n/a
Diluted loss per share (GBP £)	(0.019)	n/a	n/a

10. 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-2022 £	Unaudited Six months ended 30-Jun-2021 £	Audited Year ended 31-Dec-21 £
Balance at 1 January	765,115	69,186	69,186
Additions	1,992,188	455,254	695,929
Total	2,757,303	524,440	765,115

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 2022, 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.

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables	Unaudited Six months ended 30-Jun-2022 £	Unaudited Six months ended 30-Jun-2021 £	Audited Year ended 31-Dec-21 £
Prepayments and deposits	91,345	-	23,252
VAT	369,563	-	15,543
Other receivables	23,979	-	12,667
Total	484,887	-	51,461

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

The VAT reflects amounts recoverable from the tax authorities in Chile, which were incurred relevant expenditure in Chile.

Other receivables comprise multiple smaller working capital balances in Chile

12. SHARE CAPITAL

Share capital

The CleanTech Group's interim financial statements at 30 June 2022 have been prepared in accordance with IFRS 3 Business Combinations. The Pro forma Group financial statements at 31 December 2021 as per Note 2, 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 at 31 December 2021.

Share capital	Unaudited Six months ended 30-Jun-2022 - £	Audited Year ended 31-Dec-21 Pro forma £
Share capital brought forward	5,051,201	2
Issued during the period	5,475,357	5,051,199
Share capital carried forward	10,526,557	5,051,201

The £2 brought forward share capital amount in 2021 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.

In the six months to 30 June 2022, the additions to share capital were a result of the Company's initial public offering.

Total options in issue

During the six months to 30 June 2022 the following share options were issued to Management and Directors

Vesting criteria	Expiry	Exercise price GBP	Number of options
Upon Admission	17 March 2025	0.36	4,000,000

Total warrants in issue

During the six months to 30 June 2022 the following share options were issued to advisors

Vesting criteria	Expiry	Exercise price GBP	Number of warrants
Upon Admission	17 March 2027	0.30	1,065,202
Various (see below)	17 March 2027	0.30	790,332

Upon Admission	31 December 2026	0.20	946,275

Various vesting criteria apply to the 790,332 advisory warrants issued as follows: (i) 25% of the total to vest upon admission to London's Stock Exchange; (ii) 25% of the total to vest upon the Company's volume weighted average share price being 50% higher than the Placing Price for five consecutive trading days; (ii) 25% of the total to vest upon the Company's volume weighted average share price being 100% higher than the Placing Price for five consecutive trading days; (iv) 25% of the total to vest upon the Company's volume weighted average share price being 150% higher than the Placing Price for five consecutive trading days.

13. 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

14. 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 Sterling (GBP £) at each reporting date.

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

15. PAYABLES, PROVISIONS AND ACCRUALS

	Unaudited Six months ended 30-Jun-2022 £	Unaudited Six months ended 30-Jun-2021 £	Audited Year ended 31-Dec-21 £
Trade and other payable	(240,579)	-	(213,244)
Borrowings	-	(54,000)	-
Provisions	(78,545)	(98,543)	(85,274)
Accruals	(12,250)	-	(219,816)
Total	(331,375)	(152,543)	(518,334)

Trade and other payables include routine trade creditors.

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

Accruals include routine accruals for professional services rendered not invoiced at period end.

16. CAPITAL RESERVE

The financial information for the year ended 31 December 2021 reflected those 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 CleanTech 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.

17. 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.

18. NET CASH / (DEBT) RECONCILIATION

The table below sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	Unaudited Six months ended 30-Jun-2022	Audited Year ended 31-Dec-21
		£
Cash and cash equivalents	4,669,600	3,230,997
Net cash	4,669,600	3,230,997

Net cash / (debt)	Cash and cash equivalents £	Borrowings £	Total £
At 1 January 2021	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
Proceed from the issue of new equity	5,280,439	-	5,280,439
Cash flows	(3,841,836)	-	35,534
At 30 June 2022	4,669,600	-	4,669,600

19. 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 CleanTech Group in this report also contains information relating to the two Australian entities, noting these were wound-up and deregistered formally on 25 March 2022 and so no longer form part of the CleanTech Group. At 31 December 2021, the Australian entities also formed part of the Pro forma 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 Pro forma or CleanTech 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

20. SUBSEQUENT EVENTS

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

Glossary

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)
CTL Ltd	CleanTech Lithium Ltd; U.K. registered and tax domiciled company

CTL Plc	CleanTech Lithium Plc; Jersey registered and tax domiciled company
DLE	Direct lithium extraction
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
Group	CleanTech Lithium statutory group
IPO	Initial public offering
JORC	The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in public reports
LCE	Lithium carbonate equivalent, industry standard terminology used to compare different forms of lithium compounds
LSE	London Stock Exchange
MoU	Memorandum of Understanding
mg/L	micrograms per litre
Pro forma Group	Non-statutory pro forma group as defined in the notes to the financial statement

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