CleanTech Lithium

Advancing sustainable

Direct Lithium Extraction

for the clean energy transition

Annual Report & Accounts **2023**

Contents

OUR MISSION IS TO BE A **LEADING SUPPLIER** OF **CLEAN BATTERY-GRADE LITHIUM** FOR THE **GLOBAL ENERGY TRANSITION**

By using **Direct Lithium Extraction** (DLE) technology, powered by renewable energy, CTL plans to produce green lithium for the growing EV and battery industry.

Highlights

Operational Highlights

- **Two Scoping Studies completed:** Laguna Verde and Francisco Basin Scoping Studies show robust economics with post-tax NPV_8 ~US$3bn and IRR >43% supporting 20,000tpa LCE production for +30-year and +12-year operations respectively.
- **JORC resource increase:** Completed additional 7 well drilling programme - Laguna Verde, 1.8 million tonnes of LCE (Measured & Indicated Resource increased by 39% to 1.1 million tonnes LCE) and Francisco Basin 0.92 million tonnes of LCE of which 0.44 million tonnes was upgraded to Indicated.
- **DLE pilot plant:** Plant working ahead of expectations, with first high quality lithium eluate produced post-period end, after build and commissioning undertaken in 2023 and early 2024.
- **CEOL submission:** Applications for operating permits for Laguna Verde and Francisco Basin submitted in Sept 2023 and now being updated in line with the new administrative procedure announced by the Government post-period end in April 2024.
- **Ongoing drilling programme at Laguna Verde:** Five well drilling programme commenced post-period end, results of which will feed into further resource update and Pre-Feasibility Study (PFS).
- **Laguna Verde PFS and EIA:** Underway and targeted for completion Q3 2024 and end of 2024 respectively.
- **Exploration assets:** Low-cost work programme undertaken at Llamara project to test surface and subsurface samples.
- **Expanded footprint in Chile:** Obtained additional Salar de Atacama licence areas.
- **First Co-Developed Mining Model:** For lithium extraction signed with Ercilia Araya Altamirano, Ancestral Authority of the Colla Pai-Ote community, and representatives from the Río Jorquera and Pastos Grandes communities.
- **Local Operations & Community office:** Opened in Copiapó in Q3 2023, with local staff employed to manage upkeep and activities with local stakeholders.
- **Health & Safety:** Zero-harm safety culture focused on continuous improvement to achieve an injury free and healthy work environment - no LTIs, major incidents or near misses recorded in 2023 or 2024 to date.
- **Management & Staff:** 22 full time employees, with up to an additional 5 specialist consultants employed by the Company by the end of 2023.

Corporate Highlights

- **Funding:** Raised £8 million in the calendar year 2023.
- **Board changes:** Maha Daoudi and Tommy McKeith appointed as independent non-executive directors; Jonathan Morley-Kirk became Senior Independent Director and Steve Kesler assumed the role of Executive Chairman and post period end as Interim CEO following the resignation of Aldo Boitano.
- **OTCQX:** Commenced trading in the U.S. making it easier for North American investors.
- **ESG Committee:** Established in mid 2023 and reporting to the Board to ensure the Company is being held accountable across all ESG factors. The committee meets regularly and is producing an ESG Review.
- **Signatory of UN Global Compact:** In August 2023, supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.
- **Awarded:** Green Achievement Grand Prix Award at Huawei's - 'Green & Smart Mining: the Future is Here!' Green Achievement Awards 2023, Chile.
- **Cash Position:** £6.2 million at year-end 2023.

DLE Pilot Plant in Copiapó, Chile

Executive Chairman, Steve Kesler with communities

Drilling rig at Laguna Verde

At a glance

Advancing Direct Lithium Extraction in Chile

The Company's mission is to be a leading supplier of clean battery-grade lithium for the global energy transition. By using Direct Lithium Extraction (DLE) technology, powered by renewable energy, CTL plans to produce 'green' lithium for the growing EV and battery industry.

Chile

An established mining region and host to the largest lithium reserves in the world. Chile's government is focused on building a green economy with established mining codes and laws which support the production of lithium. To read more about Chile see **page 13**.

Our projects

The Company has a portfolio in the Chilean part of the lithium triangle, with a combined total resource of 2.7 million tonnes of lithium carbonate equivalent (LCE), which scoping studies indicate could support up to 40,000 tpa lithium carbonate production. The Laguna Verde project is in PFS stage. Scoping studies completed for Laguna Verde and Francisco Basin projects show robust economics with a combined post-tax NPV8 of ~US$3bn and an IRR of >43%.

CTL's DLE pilot plant which is producing high quality lithium chloride eluate, has demonstrated it can produce at least 1 tonne per month of LCE and will provide design data for Laguna Verde's PFS and main DLE plant construction. Find out more about CTL's path to production on **page 7**.

• Laguna Verde

The flagship project which the CTL is developing into a multi-decade commercial DLE lithium production asset.

• Francisco Basin

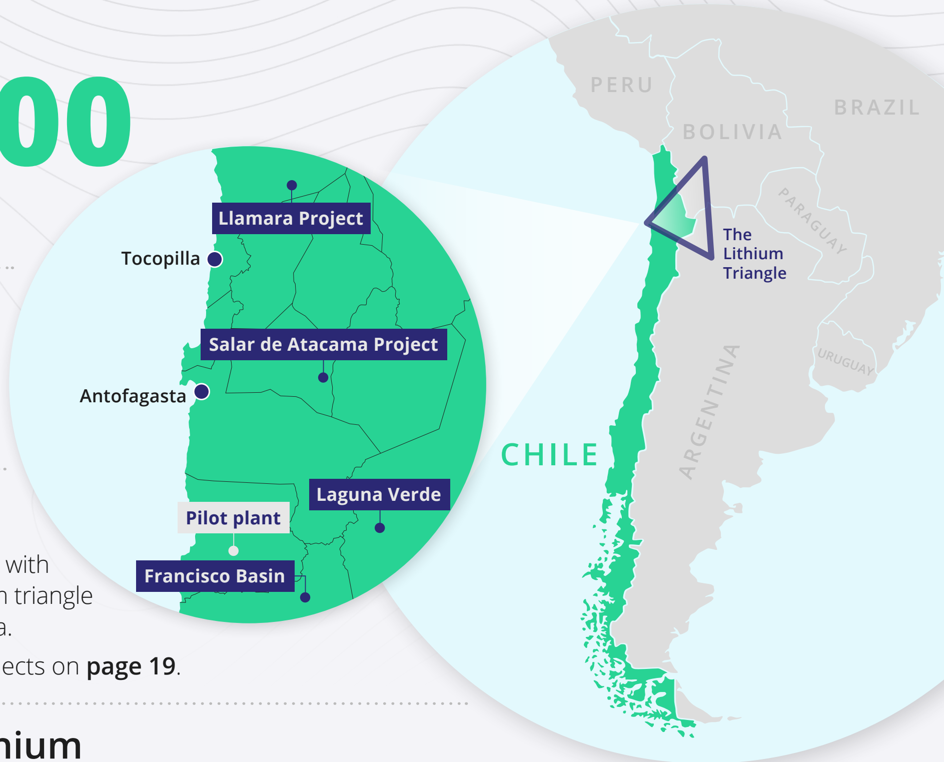
A new lithium discovery in 2022. Located 100km from Laguna Verde, Francisco Basin is the second development project, with a scoping study showing robust economics for a commercial DLE lithium operation from the current resource, which has significant potential to increase.

+40,000

tpa. production

2.7

million tonnes of LCE



Exploration

CTL has two greenfield projects with significant acreage in the lithium triangle – Llamara and Salar de Atacama.

Find out more about CTL's projects on **page 19**.

DLE and 'green' lithium

The Company plans to use DLE and reinject the spent brine – a process that is efficient, more environmentally friendly and offers higher recoveries and greatly reduced water losses than conventional forms of lithium extraction from brines. CTL aims to be 100% powered by renewable energy once in production. This approach creates a market advantage of supplying battery-grade 'green' lithium production with a lower environmental impact. Find out more about the Company's DLE approach on **page 20**.

Lithium and DLE

Lithium demand, from EV battery manufacturers to other clean energy solutions, is expected to grow for years to come, and the adoption of DLE will also grow at pace. Find out more about lithium and DLE market on **page 5**.

Leadership

The Company's Board has demonstrable experience developing large-scale projects in Chile and internationally. The Board is supported by a growing operational team in Chile. Find out more about people on **page 34**.

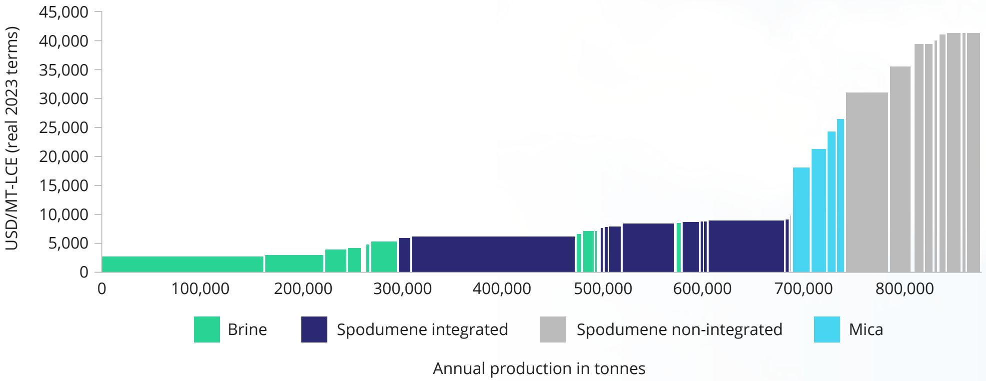
CleanTech Lithium is driven towards generating profits for its people and stakeholders. The Company will play a positive social and economic role in the locations it operates in, putting the rights of the indigenous peoples at the heart of decision-making. Find out more on CTL's social and communities developments on **page 24**.

Lithium and DLE market

Demand for lithium is expected to grow and is underpinned by the transition to electrification and the adoption of electric vehicles (EVs). Over the past year, EV sales rose **31% to over 13.6 million** (Ref: Reuters, January 2024) with projections from the **International Energy Agency** reporting that EV sales will represent more than 60% of vehicles sold globally by 2030.

To aid the clean energy transition, the Company is using DLE technology to supply battery-grade 'green' lithium carbonate. Global adoption of DLE in the development or production stage has significantly increased over the past few years, with a range of mining majors and juniors investing in the technology, companies such as Eramet, Rio Tinto and Exxon.

Lithium carbonate C1 cost curve - 2023



Source: Benchmark Minerals Q3 2023 Lithium Forecast

CTL's operations will connect to Chile's energy grid, which has an increasing supply of renewable energy and presents an opportunity to reduce the overall emissions associated with lithium extraction. This approach, combining environmentally friendly extraction technology powered by renewable energy, has the potential to create a premium lithium product for manufacturers seeking a cleaner supply chain. DLE also offers commercial advantages in producing a battery grade product in a much shorter time frame than conventional production methods, such as evaporation ponds or hard rock mining.

The advancement of DLE is aligned with the Chilean government's National Lithium Strategy, announced in April 2023, which prioritises the use of sustainable lithium technologies for all new lithium extraction projects, highlighting both the environmental and social opportunity associated with the growing lithium industry. CTL aspires to be a leading developer of sustainable lithium in Chile using this transformative approach to lithium extraction.

"Over the past year, EV sales rose 31% to over 13.6 million with projections from the International Energy Agency reporting that EV sales will represent more than 60% of vehicles sold globally by 2030."

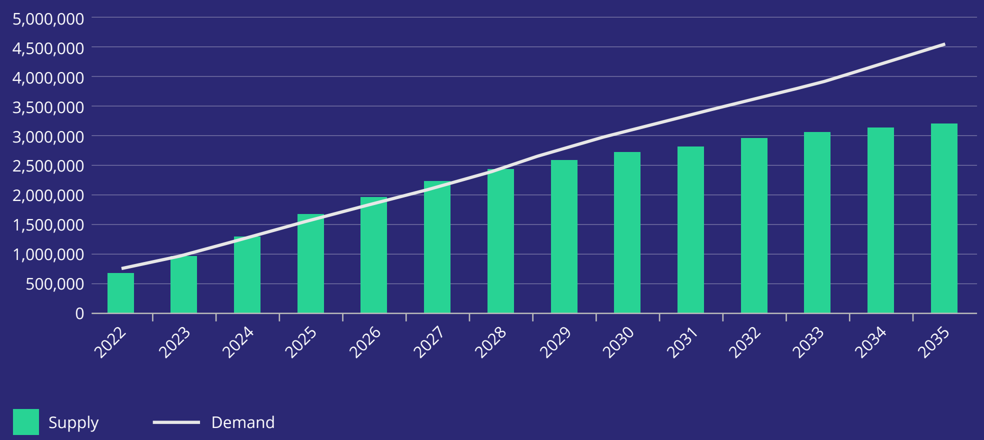
13.6 million EV sales in 2023

Impact of lithium pricing

Lithium pricing has seen a dramatic fall over the last year due to new supply running ahead of growing demand and the destocking of battery related materials, among manufacturers, primarily in China. There is growing consensus that lithium pricing has now reached a low point and will continue to climb again, albeit not to the same high level as seen in 2022. This expectation is based on high demand for lithium batteries in EV production and some reductions in supply based on certain projects having been delayed or suspended pending an improvement in the price. Across CTL's two projects, production cost per tonne of LCE is projected to be in the lower quartile of costs and should enable robust returns even at lower price points once in production.

Despite the small, temporary lithium supply glut, it's clear we're facing a significant long-term deficit

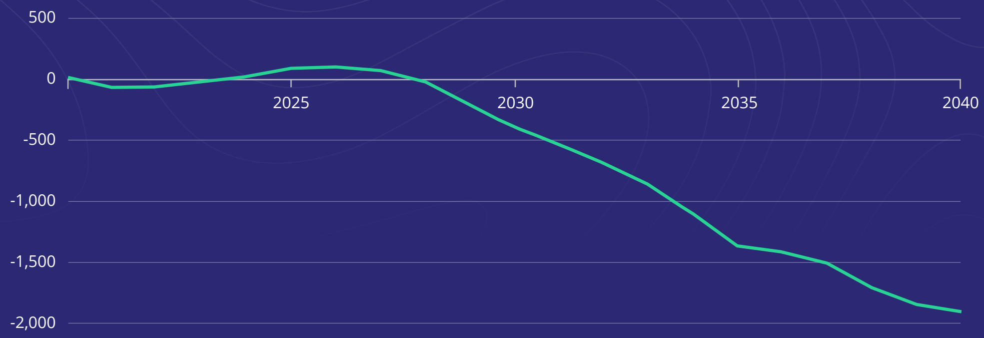
Demand Supply Balance, *MT LCE*



Source: Benchmark Mineral Intelligence

> For the foreseeable future, the demand for lithium will continue to be dominated by the increase of EV sales.

Cumulative lithium market balance



Source: Benchmark Minerals Q3 2023 Lithium Forecast

For the foreseeable future, the demand for lithium will continue to be dominated by the increase of EV sales. According to a McKinsey report (Ref: June 2023), the global passenger EV market, which relies on lithium-based batteries, is expected to grow annually by 26% through to 2030, resulting in lithium demand growth of 20% per year. With production from CTL's flagship project, Laguna Verde, targeted to start from 2027, CleanTech Lithium is primed to take advantage of the growth in demand for lithium and contribute to the electrification of vehicles on the road to net zero targets.

Path to production

DLE Pilot Plant

With the plant operational and having already produced an initial batch of 24m³ of concentrated eluate for conversion into battery grade LCE, the delivery of the DLE Pilot Plant from Q1 2024 represents a significant milestone in the Company's progress towards achieving commercial production of battery-grade lithium carbonate. The pilot plant has already demonstrated it can deliver over 1 tonne of lithium carbonate equivalent (LCE) per month and the Company will initially produce batches to send samples of LCE to potential customers for product testing.

PFS for Laguna Verde

The PFS for Laguna Verde will support offtake and funding discussions with potential partners. The PFS builds on the scoping study and, after considering many options, will determine the best project configuration and scale to take into DFS. It will provide a more accurate assessment of capital and operating costs and projection of Laguna Verde's economics. An initial reserves report incorporating data from the current drilling programme will also be included in the PFS, which is expected in Q3 2024. The PFS will help to determine more accurately the expected timeline to the Laguna Verde's ramp up towards commercial production.

Special Operation Lithium Contracts (CEOL)

CEOL approvals will allow CTL to commercially exploit lithium reserves. The Company is currently updating the CEOLs applications (submitted in September 2023) for both Laguna Verde and Francisco Basin in line with the new administration procedure announced by the Chilean Government in March 2024.

CTL has undertaken activities to support the CEOL approvals, including regular constructive engagement with the Government and regulators, putting considerable time and resource into local community relations – signing and developing the first co-created mining model for lithium extraction in Chile with indigenous communities, and progressing the ongoing Environmental Impact Assessment (EIA).

Partner and offtake agreements

Partner offtake and funding agreements will represent a significant milestone for CTL on the path to commercial production. Partners could, for example, include EV OEMs, battery manufacturers and international trading houses, among others. Timing of partnership and funding discussions is based on having appropriate levels of information through ongoing work programmes to facilitate constructive engagement and maximising value for shareholders.

Moving to construction

Concurrently, other ongoing workstreams that represent an inflection point for the delivery of commercial production include reaching a power purchase agreement to access renewable power for the full-scale DLE plant and progressing the other regulatory approvals needed.

Chairman and Interim CEO Statement

2023 saw CTL make meaningful progress towards reaching commercial lithium production. It is recognised that some deliverables have taken longer than anticipated but this is often the case with projects applying technologies which require new learnings. During the year CTL significantly advanced project delivery, achieving several milestones which include the publication of positive scoping studies on the Company's two core-development assets, Laguna Verde (LV) and Francisco Basin (FB), and the completion of drilling programmes on both assets, totalling 7 new wells. JORC compliant resources were upgraded at both projects.

A DLE pilot plant was constructed in Copiapó and CTL is now among a small number of companies set to produce meaningful quantities of battery grade lithium product at demonstration scale using DLE. The pilot plant is working well and above expectations, having been used to produce an initial 24m^3 of concentrated eluate, for conversion into battery grade lithium carbonate, post commissioning in Q2 2024. The composition of the concentrated eluate shows a lithium adsorption recovery rate of 94% and rejection rates over 99% for key contaminants calcium, magnesium, potassium, sodium and sulphate. The results reported post period end in May 2024 demonstrates that the plant can operate at the designed capacity of concentrated eluate production sufficient for conversion to at least 1 tonne per month of battery grade lithium carbonate. The DLE pilot plant results represent a very significant milestone for the Company and reflects the progress CTL has made in the relatively short time since listing on AIM just over two years ago.

In the year ahead CTL will send battery grade lithium samples to potential strategic partners and off-takers to start product qualification, as part of the development of the construction finance to bring Laguna Verde into operation. The current drilling programme at LV will feed into a further resource assessment and a maiden reserve estimation this year, supporting the PFS, which is underway and targeted for completion in Q3 2024. This paves the way for the next phase of development, as the Company advances towards the ambition to deliver a premium ´green´ lithium product into a market that's increasingly keen to demonstrate a sustainable supply chain of battery materials.

Operations

Projects

Laguna Verde ('LV')

A Scoping Study was completed and the results announced in January 2023. Although such a study is low level and does not provide certainty that the conclusions will be reached, it projected robust economics and ESG credentials. The study assumed that the resource could support a production rate of 20,000tpa lithium carbonate. Estimated operating costs at under US$4,000/t were in the lower quartile of lithium producers, with estimated capital cost around US$400 million. Using a long-term price of US$22,500/t lithium carbonate, the study estimated a post-tax NPV of US$1.8 billion and post-tax IRR of 45%. The results of this Scoping Study were positive enough to demonstrate that progress to a PFS can be reasonably justified. The PFS is underway and the Company aims to complete it in Q3 2024.

By the end of the first quarter 2023, the Company had drilling two additional wells on Laguna Verde, bringing the total number of wells drilled to six. Wells completed in 2023 included LV04 (drilled in 2022), LV05 and LV06, with depths of 320m, 434m and 405m respectively, one aim of which was to support an upgrade to the Measured and Indicated JORC compliant resource for use in the PFS. LV04 showed only low lithium values, which demonstrated it to be outside the area of lithium brine of interest and was discarded from the resource estimation.

Large samples were also taken from LV05 and LV06 to provide brine feed for the DLE process trials. Pump tests were completed on these wells in May 2023 with calculated transmissivity supporting the use of well flow rates of 30l/s used in the LV Scoping Study.

The completed drilling programme resulted in the declaration of a JORC compliant resource upgrade in July 2023 of 1.8 million tonnes LCE at a grade of 200mg/l Li of which the Measured & Indicated category was 1.1 million tonnes, representing a 39% increase over the prior estimate, at a grade of 196 mg/l Li. This resource was considered sufficient to reasonably support evaluation in the Scoping Study of a production scenario of 20,000 tpa lithium carbonate for 30 years.

Executive Chairman, Steve Kesler, attends signing ceremony with local communities in Copiapó, Chile

Post period end, a further five well drill programme commenced, with two rigs in simultaneous operation. This programme is largely aimed at converting Inferred resource to additional Measured & Indicated resource which will then have technical and economic modifying factors applied from the PFS to determine a maiden reserve. The programme will also include additional pump testing and reinjection testing with results helping to calibrate the hydrogeological model of the basin. This model will help further define the brine extraction and reinjection wellfield design and the sustainable production rate from LV. Leading consultants, Montgomery & Associates have been engaged to manage the drill programme, JORC resource and reserves reporting and design of the extraction and reinjection wellfields.

In April 2024, CTL also completed the planned acquisition of 23 licences at Laguna Verde which were previously subject to an option agreement and are located at the heart of the project area. With CTL now owning 100% of all the 108 licences covering the Laguna Verde Project this will both support CTL's CEOL applications and further clear the path for the planned ASX listing. The terms of the acquisition in the Directors' opinion were more favourable to CTL shareholders than the previous option agreement. Payment amounts are now known with the greater part due only when the Company is revenue generating in production. The previous option agreement depended on an estimate of 'commercially extractable lithium products' with full payment due at the start of construction and as it was an open-ended arrangement it did not conform to current ASX listing requirements.

Francisco Basin ('FB')

Five additional wells were drilled on FB early 2023 - FB02, FB03/03A, FB04, FB05 and FB06 - with depths ranging from 320m to 462m, bringing the total number of wells drilled to six. The results from these wells fed into an upgraded resource estimate, announced in August, and supported the subsequent Scoping Study, announced in September 2023.

The JORC resource upgrade attributed 0.92 million tonnes of LCE at a grade of 207 mg/l Li as Indicated and Inferred, representing a 74% increase over the prior estimate. In the Indicated category, the report attributed an upgrade to 0.44 million tonnes at a grade of 221mg/l Li. The Scoping Study considered that the resource estimate could support production of 20,000 tpa of lithium carbonate for 12 years. Further drilling is planned to increase the resource and the projected life of the Francisco Basin project.

A sampling programme was undertaken on FB01 with 1000 litres for DLE process trials using the Company's lab-based unit in Copiapó. A pump test was also completed on FB01, with the results announced in May 2023, recording a high level of transmissivity, supporting a well pumping rate of 30l/s used in the FB Scoping Study.

The Scoping Study, albeit low level and does not provide certainty that the conclusions will be reached, projected robust economics for FB. The study assumed that the resource could support a production rate of 20,000tpa lithium carbonate. Estimated operating costs were lower quartile and less than US$4,000/t lithium carbonate and capital costs were estimated at about US$450 million. Using a long-term price of US$22,500/t lithium carbonate the study estimated a post-tax NPV of US$1.1 billion and a post-tax IRR of 43%.

It was decided to suspend further work at FB at the present time and utilise available funds to advance the LV project as rapidly as possible. Design parameters for LV in terms of extraction and reinjection well design, DLE and conversion process design as well as other infrastructure will be directly applicable to FB. It will be more efficient to optimise these for LV and then replicate them at FB.

Greenfield exploration assets

During the year CTL invested in its long-term future through the low-cost work programme on the Llamara exploration licences and by obtaining additional licences on the periphery of Salar de Atacama. These assets offer material opportunities and provide potential upside for the Company while requiring relatively small amounts of near-term capital.

Llamara is a large exploration area for which the Company acquired the exploration licences at low cost as an option offering good prospectivity to complement CTL's two core-development assets.

The work programme on Llamara in 2023 aimed to test surface and subsurface samples. Drilling commenced as planned but had to be suspended for safety reasons due to encountering a gas pocket. A second well then commenced and was successfully drilled but subsurface sampling from the well indicated depleted levels of lithium. The results of surface sampling also showed relatively low lithium values. Further work at Llamara and Salar de Atacama have been suspended whilst available funds are concentrated on advancing Laguna Verde.


New drilling campaign in place at Laguna Verde

DLE Pilot Plant

A lab scale DLE plant was installed in our Copiapó facilities in Q4 2022 and used during 2023 for testing of various adsorbents on the LV brine. CTL then proceeded with commissioning of a pilot plant scale DLE plant. The plant was ordered from Sunresin's facility in Europe earlier in the year and installation started in Q3 2023. Construction was completed in November and the DLE pilot plant fully commissioned in Q1 2024 with technical experts on site from Puritech, a subsidiary of Sunresin. The Company announced, in March 2024, that the pilot plant is producing lithium chloride eluate from LV brine with the eluate to be further processed downstream to produce battery-grade lithium carbonate.

After testing of various adsorbents to determine which performed best on the LV brine it was decided to purchase adsorbent from Lanshen, another large Chinese producer of adsorbents and resins, to load the pilot plant columns.

The pilot plant is designed to produce up to 1 tonne/month of LCE and has demonstrated it can deliver more than this in initial operations. The pilot plant is now processing brine into purified lithium chloride eluate and showing encouraging results with high lithium recovery rates while rejecting impurities. Post period end, in Q2 2024, the concentrated eluate has been further concentrated by reverse osmosis at CTL's pilot plant and the first batch of 24m^3 shipped to Conductive Energy in Chicago for conversion to battery grade lithium carbonate. The Company will initially scale production in batches for the start of product qualification testing by potential off-takers and strategic partners and ramp up production as required by the qualification process. The pilot plant will also provide design data for the Laguna Verde PFS. This represents a significant milestone for CTL as it materially de-risks the scale up of commercial DLE based production, for the Company, its investors and potential offtake partners ahead of moving towards commercial production.

Special Lithium Operation Contracts (CEOLs)

Applications for Special Lithium Operation Contracts, or CEOLs, for LV and FB were submitted in September 2023 in compliance with Chilean law and as encouraged by the relevant authorities after regular dialogue. Upon award, CEOLs provide the authority for the CEOL holder to exploit, produce and sell lithium on behalf of the State which is paid an agreed royalty based on net profits arising from the project.

In April 2023 the Government issued its National Lithium Strategy whereby it signalled its intent to become an active participant in lithium production in Chile and not just a passive receiver of royalties. There was initial uncertainty as to how this would unfold but the Government provided more clarity in April 2024 by confirming its intent to become majority shareholder in the strategic assets of Salar de Atacama and Maricunga through a newly created lithium subsidiary of Codelco. It was also confirmed, that the State mining companies Codelco and Enami, who have interests in six other salars, would seek participation from the

Puritech technicians at CTL's DLE Pilot Plant in Copiapó in Chile private sector under JV arrangements that made the best sense for each project. Additionally, another 26 salars considered non-strategic, including Laguna Verde and Francisco Basin, were confirmed to be opened for development by the private sector.

An administrative procedure was later published whereby "Expressions of Interest" are to be submitted by mid-June 2024 with the Government expected to announce the results in early July and to confirm which projects are to be prioritised for the award of CEOLs. Afterwards, CTL was advised to update its submissions for CEOLs within the new administrative procedure. The Company is updating the CEOL applications with recent information ready to submit. The resubmission process is expected to have no impact on the expected project timeline.

The Government has also announced that it wants to see 3 or 4 new lithium projects operational by 2026. CTL's two advanced projects are well ahead of any other lithium projects of similar scale in Chile and can therefore be expected to be prioritised by the Government.

To support the CEOL applications, the Company has continued to place CTL in the very best possible position through a process of regional engagement and support for the local economy. The Company has a policy of employing local people where possible and ensuring the economic benefit of developing its assets is felt across the region and that any concerns and impact are sensitively managed. The Company announced a ground-breaking agreement in December 2023, for the first co-created mining model for lithium extraction in the region, working together with Ercilia Araya Altamirano, Ancestral Authority of the Colla Pai-Ote community, and representatives from the Río Jorquera and Pastos Grandes communities. The communities have agreed to collaborate with CTL on drafting relevant sections of the EIA for Laguna Verde, which is the first time this approach has been adopted in Chile for lithium extraction. This is a positive factor that CTL is hopeful will accelerate the approval process of the EIA as demonstrating local community support, which is of critical importance to the authorities.

Furthermore, the Company's focus on DLE, as the mechanism to produce LCE, is in keeping with the National Lithium Strategy to ensure sustainable lithium production as announced by President Boric in April 2023. Having been an early adopter of the technology, CTL is well placed to deliver on successful DLE based brine projects in Chile.

The granting of the CEOLs in 2024 will be an important stepping stone to production and the delivery of a strategic partner to support commercialisation of the Company's projects. CTL will continue to work with the relevant authorities within the scope of the National Lithium Strategy, which the Company sees as a welcome model for public-private partnership, as helping de-risk the delivery of lithium projects in Chile.

Corporate Activity

CTL has continually sought to carefully allocate capital to meet its needs and achieve the goal of delivering commercial production and cashflows as early as possible. CTL has, therefore, sought to raise funds from investors only when needed to advance project development and so minimising dilution to investors. The strategy has been to fund exploration and early project development through equity and then, following completion of the PFS and commissioning of the pilot plant, bring in a strategic investor. The planned listing on the ASX in Australia is in keeping with this. In addition to CTL having key investors already in Australia, the ASX market also benefits from a strong understanding of the mining industry and lithium sector with deep pools of capital available for good projects and where many of the Company's lithium peers are listed.

> "The DLE pilot plant results represent a very significant milestone for the Company and reflects the progress CTL has made in the relatively short time since listing on AIM just over two years ago."

ESG

In-line with the development of CTL's projects the team in Chile expanded during the year and the Company opened an operational office in Copiapó. At the end of the year the team amounted to 22 full time employees with up to an additional 5 specialist consultants employed by the Company over the course of 2023.

The wider team includes operational, technical, legal and administration staff. It also includes sustainability support which is key to CTL's right to operate and ability to deliver. The community relations team made an immediate and positive impact on the Company driving initiatives which help inform and keep local and national parties supportive of our objectives.

These efforts were supported by the creation of an ESG Board committee during the year, which has oversight of sustainability initiatives and reports to the wider Board. The Company winning the 'Green Achievement Grand Prix Award' at Huawei's 'Green & Smart Mining: the future is here' awards, which took place in Chile in December, is a good reflection of this work.

Key to making progress is effective decision making and accountability across the business. In this regard CTL has in place a strong Board with a good balance of executive and independent non-executive directors each of whom comes with valuable and differing experience which makes a material difference to the strategic direction and running of the business.

During the year, I was delighted to see the Board strengthen further with the appointment of Maha Daoudi and Tommy McKeith as independent non-executive directors. Maha has many years of experience in commodity marketing and trading with a deep knowledge of working in China. Tommy has considerable experience in exploration and project development and comes with extensive mining listed company experience in Australia. Both have already made invaluable contributions. During the year, Jonathan Morley-Kirk also stepped up to become the Senior Independent Director, following my change of role to an executive position.

Post-period end I have taken on the responsibilities of CEO, on an interim basis, following the resignation of Aldo Boitano. Despite the circumstances of his departure he, as co-founder, did a tremendous amount to develop a vision for the Company and create the opportunity for investors. For this we are all grateful.

I would like to take the opportunity to thank the Board, the wider team, shareholders, and suppliers for their continued support over the last year. The Company is on a journey and a long way down the path to delivering on its ambitions. This is entirely down to the experience, skill set, support and tireless effort put in by all those involved.

> “A lot has been achieved and in a relatively short time and, as such, the Company is well placed to realise the value of its portfolio to the benefit of its investors and other stakeholders.”

Laguna Verde

Outlook

CTL has an exciting year ahead of us leading up to discussions with strategic partners later in the year. A lot has been achieved and in a relatively short time and, as such, the Company is well placed to realise the value of its portfolio to the benefit of its investors and other stakeholders. That progress has accelerated further in 2024 with the commissioning of the pilot plant, the LV PFS progressing, the CEOL process in train and with the lithium market showing signs of recovery. We look forward to the remainder of 2024 with continued confidence.

Steve Kesler

Executive Chairman and Interim CEO

20 May 2024

Chile - supporting the lithium industry

Chile holds the largest reserves of lithium in the world and currently supplies over 40% of the world's lithium. Having an established mining industry over many decades, with the country also being the world's biggest supplier of copper, the Chilean Government is very supportive of mining and critical mineral processing, which is essential for the rapidly growing clean energy technologies.

Central Chile energy grid

Santiago de Chile

Chile's President, Gabriel Boric, announced in late April 2023, the country's National Lithium Strategy, which focuses on securing and increasing the future supply of lithium through public-private partnerships and the sustainable development of the lithium industry for the benefit of Chile, local communities and private enterprise.

The focus of the strategy is on public-private partnerships, with the aim of leveraging skills, resource and private investment in support of the sustainable development of the lithium industry. The Board welcomed the National Lithium Strategy, which the Directors see as providing a greater degree of certainty for the lithium industry and therefore an improved climate for investment. The Government has recently provided further clarity on which lithium salars are to be majority controlled by the State, which salars are to be developed flexibly but led by State entities and those that can be developed privately with or without minority State participation. CTL´s projects fall in this latter category and remain significant commercial opportunities.

Importantly, the Company's strategy of prioritising DLE and being powered by renewable energy, strongly aligns with the Government's agenda for the lithium industry, which is advocating for the use of DLE and sustainable technologies, as the primary method of lithium extraction for all new projects.

This became evident when the Company's Executive Chairman, Steve Kesler, and former CEO, Aldo Boitano, joined Government Ministers in Toronto for a series of talks and meetings where Chile was pitched as an attractive country for foreign investment and partnerships for those looking to support the development of green technologies. The Company was invited to 'Chile Day' to share the Company's experiences and be an example of a company scaling a technology required for the intended green economy.

Today, Chile is the only South American country that has a Free Trade Agreement with the USA. As demand for electric vehicles continues to rise in the USA, having this trade agreement in place will be advantageous to CTL's economic model and customer base. Incentives via the Inflation Reduction Act also provide additional routes for potential funding and partnership opportunities. Equally, Chile has a strengthening relationship with the European Union, having recently revised the EU-Chile agreement to provide better access and sustainable investment into critical raw materials. The stage is set for Chile to remain a leading supplier of lithium for key growing EV markets and CTL aims to be part of this upstream supply chain.

"The stage is set for Chile to remain a leading supplier of lithium for key growing EV markets and CTL aims to be part of this upstream supply chain."

Drilling rig at Laguna Verde

Aerial view of Laguna Verde

Laguna Verde

Projects

CleanTech Lithium's project portfolio spans >1,250km in the lithium triangle in Chile, a leading centre for battery-grade lithium production.

The Laguna Verde and Francisco Basin feasibility stage projects are approximately 275km by road from the mining centre of Copiapó in the Atacama region of Chile. The Company also has two greenfield exploration projects, Llamara and Salar de Atacama to the north.

The combined total lithium resources totals 2.72 million tonnes LCE, with Laguna Verde at 1.8 million tonnes LCE and Francisco Basin at 0.92 million tonnes LCE. This resource base, which has further upside through ongoing drilling programmes, supports c.20,000 tpa lithium carbonate production for 30-year and 12-year operations at each project respectively. Laguna Verde is the Company's lead project, being developed first, with Francisco Basin planned to follow close after using the design and experience in developing Laguna Verde, as CTL targets producing battery-grade, 'green' lithium for the EV market.

CleanTech Lithium is working with leading operators in commercial DLE plants and commissioned the pilot plant Q1 2024. The pilot plant is in the Company´s facilities in Copiapó and will treat brine from both the Laguna Verde and Francisco Basin projects and will produce lithium chloride eluate to be converted to battery-grade lithium as part of the downstream process with a third-party. Results from the pilot plant will be used to inform Laguna Verde's PFS and the product will be sent to potential customers for product verification.

All projects have established infrastructure with road access via largely paved highways that connect to nearby ports and are within the vicinity of the Chilean electricity grid, which has one of the highest renewable capacities in the world. CTL believe this is a ready-made solution to help the Company run sustainable operations and deliver 'green' lithium once in commercial production.

Li

LAGUNA VERDE: 1.8m tonnes LCE

FRANCISCO BASIN: 0.92m tonnes LCE

Laguna Verde

Laguna Verde has a 217km² licence area and features a hypersaline lake covering 15.2km² at the low point of the basin with a large sub-surface aquifer, ideal for direct lithium extraction due to the shallow depths. The project is located at an altitude of 4,330m, with no indigenous settlements or other communities within 100km of the project.

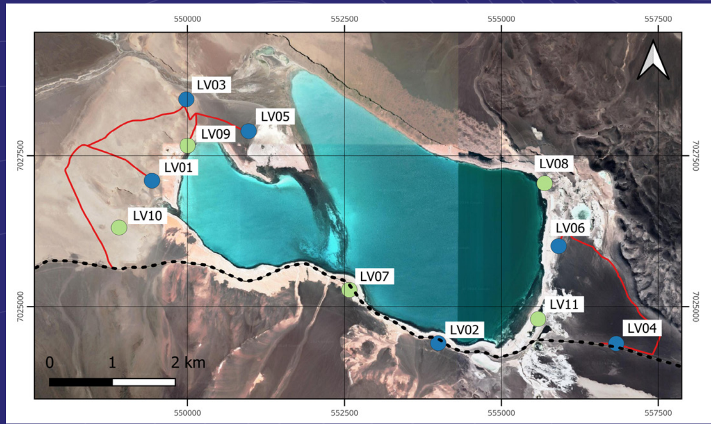
Laguna Verde is the Company's most advanced project and has a total resource of 1.8 million tonnes, of which 1.1 million is in the Measured and Indicated category. Laguna Verde's Scoping Study highlighted robust economics, with an NPV_8 of US$1.8bn, an IRR of 45.1%, net cashflows of US$6.3 billion and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

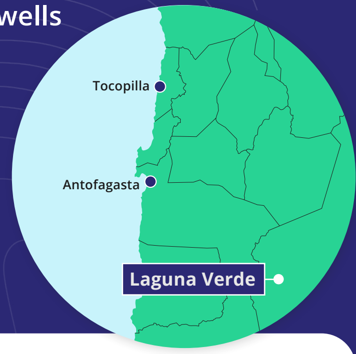
An active Q1/Q2 2024 drilling campaign is underway to convert the JORC resources into reserves and will feed into the PFS, which is expected to complete in Q3 2024 and will also incorporate information and results derived from the DLE pilot plant in Copiapó. The Company has undertaken environmental base line and hydrogeology studies and will complete an Environmental Impact Assessment (EIA) based on the best configuration of the project defined by the PFS.

Read more about how CTL plans to develop Laguna Verde into commercial production at the path to production on **page 7**.

Drilling at Laguna Verde

Laguna Verde 2024 drilling programme and previously drilled wells





SYMBOLOGY

- Access roads
- Paved highways
- CTL previous wells
- CTL 2024 programme

Laguna Verde JORC Resource

JORC Resource	Measured	Indicated	M+I	Inferred	TOTAL
Lithium (million tonnes LCE)	0.5	0.7	1.1	0.7	**1.8**
Grade (mg/L Li_3CO_2)	199	194	196	208	**200**

Laguna Verde's Scoping Study – January 2023

Key data derived from the scoping study are presented in the following figures.

PRODUCTION 20,000tpa LCE	OPERATIONAL LIFE >30 years	IRR 45.1%
PAYBACK 1.7 years	NET CASHFLOW US$215m - 240m pa*#	TOTAL REVENUES US$6.3bn*
CAPITAL COST US$383m	POST-TAX NPV_8 US$1.8bn	LOW OPERATING COST US$3,875/t

*long-term lithium price of $22,500 per tonne #from year two onwards

This information is sourced from the RNS which was signed off by the Competent Person for the Laguna Verde JORC Resource

Francisco Basin

Francisco Basin has a total exploration licence area of 127km² and located within 100km of the Laguna Verde project, with similar distances to existing infrastructure.

The project area is traversed by power lines and a water supply pipeline 15km away, while a substation connected to the Chile national grid is located at the Maricunga Gold mine, 15km from the project. Francisco Basin is at an altitude of 4,150m and is accessed via the international highway 31 and then a well maintained 45km mining haul road.

Francisco Basin is the Company's second advanced project, which has a JORC compliant resource of 0.92 million tonnes LCE including an Indicated resource of 0.44 million tonnes LCE. This was based on a five well drilling campaign completed in 1H 2023. Francisco Basin was a greenfield project, where a new lithium discovery was made in 2022. A Scoping Study was published in September 2023, which defined good economics for a 20,000tpa lithium carbonate operation over a 12-year period. A further drilling programme with a potential resource upgrade is planned once drilling at Laguna Verde has been completed in 2024.

Francisco Basin

Key data from the Scoping Study is presented in the following figure

PRODUCTION up to 20,000tpa LCE	OPERATIONAL LIFE +12 years	IRR 43.5%
PAYBACK 2.6 years	NET CASHFLOW US$193m - 214m pa*#	NET REVENUES US$2.5bn*
CAPITAL COST US$450m	POST-TAX NPV$_8$ US$1.1bn	LOW OPERATING COST US$3,641/t

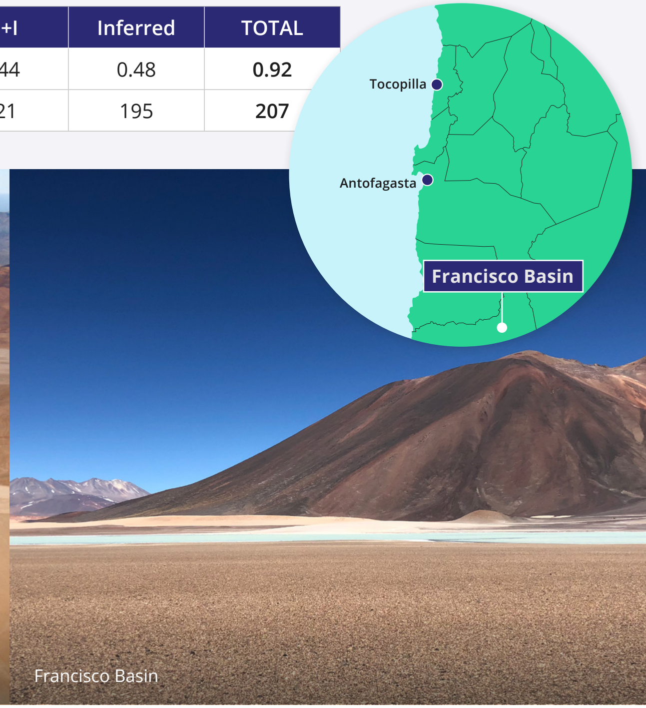
*long-term lithium price of $22,500 per tonne #from year two onwards

This information is sourced from the RNS which was signed off by the Competent Person for the Francisco Basin JORC Resource

JORC: supports production rate of 20Ktpa battery grade lithium carbonate for >12-yr operation

JORC Resource	Measured	Indicated	M+I	Inferred	TOTAL
Lithium (million tonnes LCE)	0	0.44	0.44	0.48	**0.92**
Grade (mg/L LI_3CO_2)	N/A	221	221	195	**207**

Aerial view of Francisco Basin

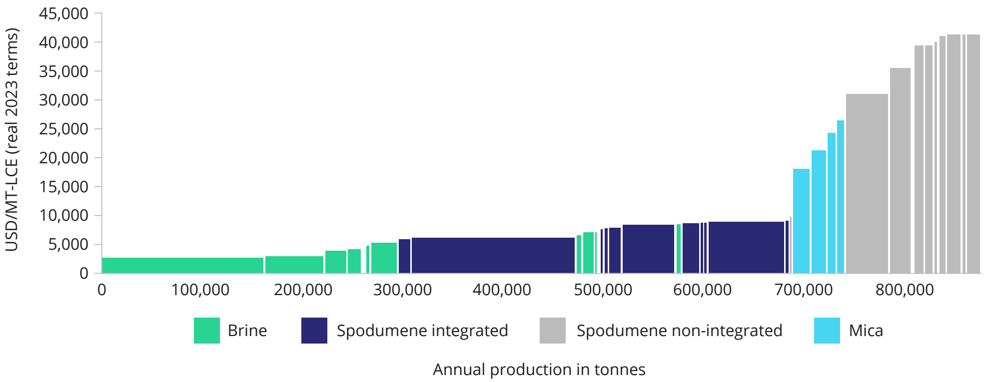


Francisco Basin

Laguna Verde and Francisco Basin – low operating costs

Scoping study results place Laguna Verde and Francisco Basin at the lower end of the global cost curve.

Lithium carbonate C1 cost curve - 2023



Source: Benchmark Minerals Q3 2023 Lithium Forecast

Laguna Verde

Operating Expenditure	US$/tonne LCE	Annual Total US$ mn
Reagents	1,215	24,304
Water	208	4,169
Energy	1,224	24,484
Manpower	264	5,280
Transport	200	3,997
Catering & Camp Services	134	2,685
Maintenance	417	8,342
Total Direct Costs	3,663	73,262
SGA	212	4,238
Total OPEX	**3,875**	**77,499**

Francisco Basin

Operating Expenditure	US$/tonne LCE	Annual Total US$ mn
Reagents	1,065	21,298
Water	196	3,920
Energy	1,135	22,707
Manpower	293	5,855
Transport	201	4,012
Catering & Camp Services	148	2,954
Maintenance	369	7,338
Total Direct Costs	3,406	68,134
SGA	234	4,685
Total OPEX	**3,641**	**72,819**

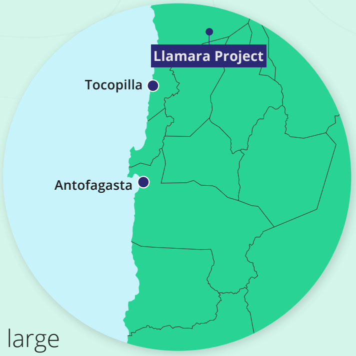
Drill rig at Laguna Verde

Exploration Projects

CleanTech Lithium has two greenfield projects in Chile with exploration potential for future DLE commercial production.

Llamara

The Llamara exploration project has a large licence area totalling 605km² located in the Pampa del Tamarugal basin, one of the largest basins in the lithium triangle. It has an altitude of approximately 1,100m allowing for year-round exploration activities.

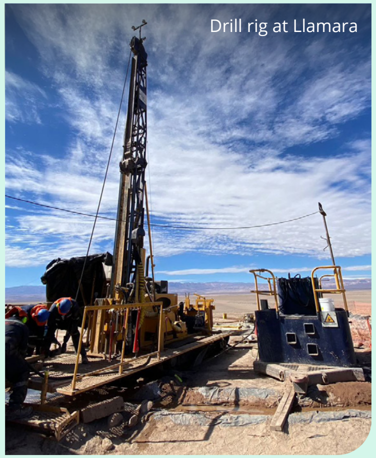


Historical surface sampling indicates lithium prospectivity of basin brines with highly elevated lithium values in evaporite deposits – salt crusts up to 3,100ppm Li and hectorite up to 2,400ppm Li. Historical geophysics lines which intersect the licences also indicate the presence of a large hypersaline aquifer.

The Company carried out a maiden drill programme to assess the lithium prospectivity from two different targets, including a subsurface brine aquifer and a surface evaporite mineral. Brine samples collected from the first well were depleted in lithium while the first batch of surface samples recorded minor lithium enrichment along with high grades of boron. The results were published in September 2023 and the Company is considering the next stage of exploration at the project.

605km² licence area


Drill rig at Llamara


Drill rig at Llamara

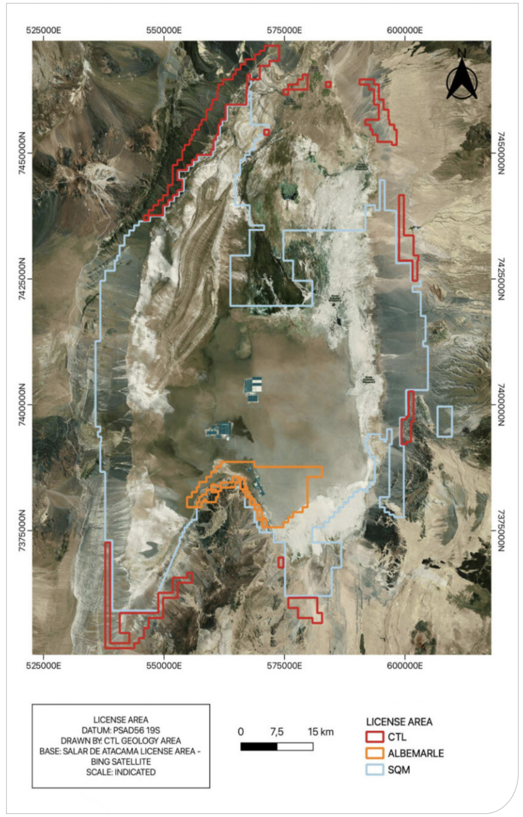
Salar de Atacama

In September 2023, the Company registered for 140 new licences covering a total area of 377 km² in the Salar de Atacama basin, one of the leading lithium production bases in the world, with proven mineable deposits of 9.2 million tonnes. Licences were granted to CTL in early 2024 and a work programme is being devised by the Company.

9.2m tonnes proven mineable deposits

Salar de Atacama is home to two of the leading producers of battery grade lithium, SQM and Albemarle. Several of the Company's application blocks are adjacent to SQM´s licences. Information derived from publicly available Environmental Studies, conducted by SQM and other organisations, suggests that the lithium-rich brine deposits extend beyond the core salar region inside the basin. This underscores the promising potential for the applications in these areas of significant prospective lithium reserves.

The Company is not currently undertaking any technical work on these licences but will consider future actions when funds are available to allow exploration activity to commence.



Salar de Atacama

Direct Lithium Extraction (DLE)

Unlocking the path to cleaner lithium production in Chile.

DLE – An innovative process

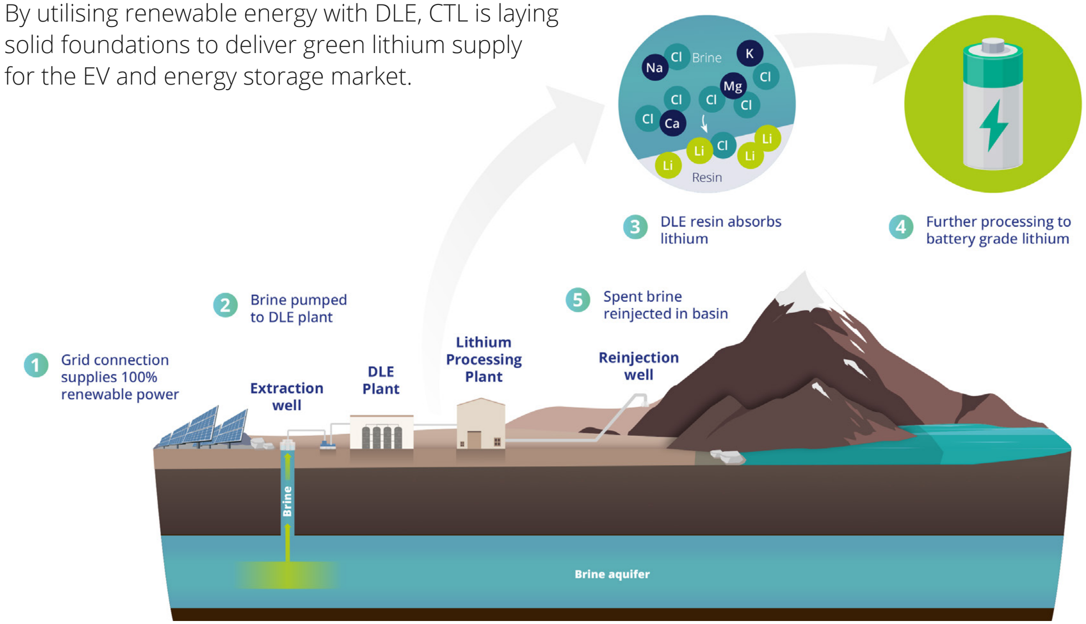
Brine is extracted from the basin aquifer and pumped to a processing unit where a resin or adsorption material is used to selectively extract lithium, while spent brine is reinjected into the basin aquifers with minimal aquifer depletion or harm to the environment.

The resin adsorbs lithium chloride (LiCl) molecules onto the surface of the material whilst rejecting almost all impurities in the brine. The lithium chloride is then stripped from the resin using water creating a purified lithium chloride eluate. This eluate is then further concentrated via reverse osmosis and forward osmosis stages before standard industry processes are used to eliminate remaining impurities and produce battery-grade lithium carbonate.

To power this, it is CleanTech Lithium's plan to use 100% renewable energy which will be made possible by connecting to Chile's energy grid which has one of the highest renewable energy content in the world.

Importantly the DLE process and reinjection of spent brine aims to reduce net water consumption to less than 2m³ per tonne of LCE, or 50 times less than existing evaporation ponds production in Chile.

By utilising renewable energy with DLE, CTL is laying solid foundations to deliver green lithium supply for the EV and energy storage market.



A greener and efficient approach to lithium extraction

- Efficient and innovative process, used for more than 20 years
- Higher recoveries than evaporation ponds
- Short production (1-2 days) vs evaporation ponds (12-24 months)
- Smaller operational footprint
- Low emissions
- Minimal water loss

By utilising renewable energy with DLE, CTL is laying solid foundations to deliver green lithium supply for the EV and energy storage market.


Puritech technicians on site testing pilot plant

Our Pilot Plant

CTL's pilot plant, built by leading DLE technology provider, Sunresin, is located at the Company´s R&D Centre in Copiapó, some 250km from Laguna Verde.

The plant has been operational since Q2 2024, producing high quality eluate for conversion to battery-grade lithium product. The plant is designed to produce up to 1 tonne per month LCE as lithium chloride with batches to be processed to battery grade lithium carbonate and product made available for potential strategic and offtake partners.

Results from May 2024 showed a lithium adsorption recovery rate of 94% from LV brine and rejection rates over 99% for key contaminants calcium, magnesium, potassium, sodium and sulphate. After the reverse osmosis (RO) process, the concentrated eluate is being shipped in $24m^3$ batches to North America to be further processed downstream, by the Company's partner, Conductive Energy, to create battery-grade lithium carbonate.


CleanTech Lithium's DLE Pilot Plant in Copiapó, Chile

Composition of lithium in Feed Brine, Eluate and Concentrated Eluate

Element (ions)	Unit	Feed brine from Laguna Verde	Eluate	Concentrated Eluate after RO
Lithium (Li)	mg/L	197	710	2,194

Further processing will benefit from forward osmosis, a technology provided by Forward Water Technology, a North American company based in Ontario. Forward osmosis achieves a high concentration factor with low energy and water use, in line with CTL's 'green' lithium ambitions.

The final product, battery grade lithium carbonate, will be sent to potential strategic partners and customers such as major auto and battery manufacturers, over the coming months, in preparation for offtake discussions and supporting Laguna Verde's PFS for the next phase of development to full DLE lithium production.

The pilot plant was supplied by leading DLE technology provider, Sunresin, with adsorbent from Lanshen and is located at the Company´s R&D Centre in Copiapó, some 250km from Laguna Verde.

CTL DLE Research & Development

Ahead of commissioning the Company's pilot plant, CTL's senior leadership visited several DLE operations in China in Q4 2023 to see first-hand commercial projects, including Sunresin, Lanshen and Jiuwu's. This trip helped forge critical relationships and sharing of knowledge to help inform CTL's pilot plant operations.


Lanshen DLE plant in operation

During CTL's pilot plant commissioning, multi-cycle tests on Laguna Verde brine produced positive results for key DLE metrics: adsorbent capacity, lithium recovery rates, and eluate composition with no pH adjustment in pre-treatment or heating of the brine or eluant, with water used for desorption. Results indicate that brine from Laguna Verde has low contaminants and is conducive to DLE.

ESG approach

The Company's ambition to be a leading supplier of 'green' lithium is realised through the advancement of DLE powered by renewable energy and applying an ESG lens across its strategy. This approach to incorporate ESG risks ensures the decision making by the Company enables the long-term success of the business and appeals directly to strategic investors who are looking to support the clean energy transition.

In 2023, the Board formally established an environmental, social, and corporate governance committee (ESG Committee) which is chaired by Independent Non-Executive Director, Maha Daoudi. The ESG Committee's mandate is broad and the committee reports to the Board, in the same manner as for the Company's existing Audit & Risk Committee and the Remuneration Committee, to ensure the Directors are being held accountable across all ESG matters. Since its inception, the Committee has been meeting monthly.

The Company will keep shareholders up to date with the progress of the ESG Committee and will be looking to publish an annual Sustainability Report where stakeholders will be able to see in more detail the actions the Company is taking to address ESG matters. Publishing the sustainability reports will help existing and potential investors and strategic partners to fully evaluate the Company's ESG credentials. The Board recently drafted and signed the Company's Responsible Resource Management Policy which outlines the core principles and how CTL will develop its projects with the upmost care for all stakeholders and the environment.

To identify the biggest risks, in 2022, the Company commissioned a materiality assessment with ESG consultancy, Blurred. The findings from the materiality assessment, in accordance with SASB Materiality Standards, outline what the biggest risks are and therefore the biggest opportunities for CTL to establish a positive impact, and where the Company must ensure potentially negative risks are mitigated. The insight gathered from the assessment forms the basis of the ESG strategy whereby supporting the nearby local communities and being a steward for the environment is of paramount importance as the Company moves from exploration to development.

In 2023, the Company became a signatory to the United Nations Global Compact. This initiative, led by the United Nations, is a set of principles recognised globally as a guideline for businesses to adopt sustainable and social responsible policies. On a yearly basis, companies voluntarily report on their performance across labour and human rights, environmental concerns, governance and anti-corruption. By establishing 'green' lithium, being part of this global network of businesses is important for the Company as it helps maintain and monitor accountability to the commitments in becoming a responsible lithium producer and find solutions to one of the biggest challenges facing humanity. The commitment made by the Company has informed the Company's own Responsible Resource Management policy.

6 CLEAN WATER AND SANITATION | 7 RENEWABLE ENERGY | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION | 13 CLIMATE ACTION | 15 LIFE ON LAND

UN GLOBAL COMPACT

United Nations Global Compact

The Company's work to date in this area was recently recognised by winning the 'Green Achievement Grand Prix Award' at Huawei's 'Green & Smart Mining: the future is here' awards in December 2023.

Operations Manager Sabine Macaya and Community Relations Manager Marcela Sepúlveda accepting on behalf of CTL the 'Green Achievement Grand Prix Award' at Huawei's 'Green & Smart Mining: the future is here' awards ceremony in December 2023

Our people

The last year saw significant growth across the Company as it matures along the path to delivering 'green' lithium production. In-line with that, there has been a material increase to the team during the 12 months. In total, the CTL team now includes 22 full time employees and up to 5 consultants. The team has expanded broadly across all key workstreams, including technical DLE expertise, legal and administrative, ESG and community relations.

Field site visit at Francisco Basin

Part of the CTL team visiting the DLE Pilot Plant

The level of technical support needed as the Company moves from exploration to development and then production is material. This is reflected in the significant deliverables achieved in 2023, including two Scoping Studies, multiple drilling programmes, JORC compliant resource upgrades and the commissioning of the Company's DLE pilot plant, among others.

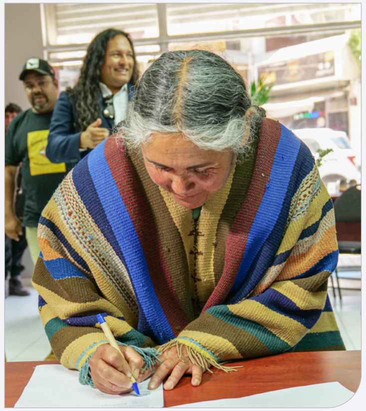
In parallel, there is also now a greater need for legal and administrative support, as the Company seeks approval of the Special Lithium Operation Contract (CEOL) for its two main development projects and towards engagement with strategic partners, post completion of the PFS later this year.

Of course, none of what the Company aims to deliver on would be possible without the support of local communities, regulators and the national government in Chile. As such, there has been an ongoing process of engagement and communication, with the aim of taking these incredibly important stakeholders with the Company, on its journey to becoming a material producer of 'green' lithium for the energy transition and in support of the local and national economy.

Communities and Social Responsibility

CleanTech Lithium recognises the long-term relationships it must nurture with local communities and other stakeholders to create a long-term sustainable and successful business. Part of the Company's plan involves an early engagement strategy with local communities to continue its licence to operate as the Company grows.

Presenting the signed alliance between CleanTech Lithium and the local communities at CTL's office in Copiapó. Left to right: Marcela Sepúlveda Community Relations Manager at CTL, Steve Kesler Executive Chairman at CTL, Christian Milla from the Pastos Grandes community, Ercilia Araya Altamirano from the Colla Pai-Ote community, Aldo Boitano, Former CEO at CTL, and Roberto Carlos Salinas from the Río Jorquera community



Ancestral leader, Ercilia Araya Altamirano, from the Colla Pai-Ote community signs joint working alliance with CleanTech Lithium

CTL representatives and local community representatives attend signing ceremony in Copiapó, Chile

Over the last year the partnership with the University de Atacama progressed with the Company hosting several visits from faculty students and leaders to the DLE Pilot Plant in Copiapó. A highlight from this was the Company creating its first internship programme, giving two students the opportunity to learn from the Company's technical experts on site at the pilot plant. This partnership is set to grow over the years and will help towards inspiring a future skilled workforce in lithium extraction, a key objective for the Chilean government.

Following further positive discussions with government representatives in Chile, the Company submitted two applications for Special Lithium Operation Contract (CEOLs) to the authorities in September 2023. These operating contracts, should they be granted, will be an important milestone towards commercial production of lithium from the Laguna Verde and Francisco Basin Projects. The Government announced in March 2024 an update to the CEOL application procedure. CTL's Former CEO Aldo Boitano had a very productive meeting following this announcement and subsequently the CEOL applications for both projects are being updated and will be resubmitted in accordance with the new procedures. The resubmission process has no impact on the expected project timeline and CTL regards the new announcement as extremely positive for the both the Company and the development of the Lithium Industry in Chile because there is a clearer runway in place. Approval of these contracts alongside the ongoing early consultation with local communities and local stakeholders will help the Company secure the required investment for the construction of the Laguna Verde and Francisco Basin Projects.

Managing risks

The risks noted below are largely consistent with those noted in previous periods, as the nature of the business and the global context within which the Group operates remains somewhat unchanged. In any event, it should be noted that the risks described below are not to be taken as exhaustive but rather outline some key general risks and their mitigations identified by CTL.

Operations

RISK	DESCRIPTION	MITIGATION
Operational incidents	CTL's operations carry risks of health, safety and environmental incidents typical of the industry. In addition, the elevation of some of CTL's assets give rise to additional risks which might otherwise not apply.	• Prioritised and high HSE ethic. • Implementation of specific and specialist HSE protocols to address specific risk areas, including adverse weather events. Staff competency and training routinely assessed.
Subsurface and surface risk to production	Risk that extractable lithium reserves and resource might not be present in economically viable volumes or that environmental or other logistical restrictions may prevent project development.	• Staged and measured work programmes are undertaken in consultation with specialist advisers to assess and establish JORC compliant resource estimates. • Live and future drilling and operating programmes are monitored closely and tracked daily where appropriate. • A rigorous approach to advancing assets through to production is taken. This approach includes defined and staged progression from scoping study, PFS,EIA, DFS, through to development plan. At each stage relevant criteria are stress-tested to ensure viability assessment is thorough. • Other logistical requirements, including for example community engagement, power and water requirements, are all evaluated in concert with project requirements in assessing overall project viability. Specialist consultants engaged where required.
Unproven processing and extraction techniques	Risk that DLE and reinjection processes may not be effective or commercially viable in achieving CTL's objective to deliver 'green lithium'.	• Overall, CTL employs an evidence-based and adaptive approach when monitoring and mitigating any technological risks. • Partnerships are developed with DLE specialists to access DLE expertise appropriate to derisk this technology for CTL's purpose. • Hydrogeological monitoring and modelling are undertaken to inform and optimise lithium extraction in line with CTL's green lithium objectives – with specialist advisers or consultants engaged to assist where necessary.

Operations *(continued)*

RISK	DESCRIPTION	MITIGATION
Environmental and regulatory approvals	Risk that regulatory permits and operating contract (CEOL) approvals are not obtained or that time is lost due to the rejection and resubmission of poorly prepared permit and/or contract applications.	• Proactive and partnership approach adopted to address requirements of different stakeholders including, for example local communities, regulatory and ministerial departments. This aims to ensure a higher-quality and coordinated response intended to meet a variety of stakeholder requirements. • Engagement of speciality advisory support to assist with applications for key environmental and other permits; intention being to submit 'right-first-time' applications and avoid rejection arising from incomplete or poor preparation.

External and Strategic risks

RISK	DESCRIPTION	MITIGATION
Geographic concentration	There is a risk that Chilean-centric fiscal or political issues outside CTL's control could negatively impact CTL's value proposition.	• Build and maintain strong relationships with the country's relevant central and local government ministries and departments. • Regularly assess the political landscape and proactively respond to political and industry changes to ensure CTL's position as a leader within the clean lithium space is leveraged and well understood by relevant authorities and communities. • Although the asset base is Chile-centric, CTL is not restricted from considering business development opportunities outside of Chile.
Reliance on / Loss of key personnel	Loss of key personnel can occur due to resignations, illness, injury, or death. With the loss of key personal valuable knowledge and relationships could be lost.	• Travel insurance and HSE policies are in place to ensure safe business travel activity. • Sharing of knowledge and relationships across disciplines minimises impact of lost capacity. • The Remuneration Committee reviews employment terms for executives and key management with the aim of attracting, motivating and retaining key personnel for the Group.

External and Strategic risks *(continued)*

RISK	DESCRIPTION	MITIGATION
Macro-economic and commodity price uncertainty	Risk that the movement of macro-economic factors (e.g. foreign exchange rates, inflation, commodity price fluctuations etc.) will detrimentally affect CTL's value proposition.	• CTL should not be directly affected by lithium price movements at this stage in its development cycle, nevertheless stressed / conservative macro-economic and commodity price assumptions are used when appraising the economic viability of its assets to ensure they are suitably sensitised. • The Group's cash position and f/x exposures are actively managed and monitored to manage for movements in market conditions.
Breach of Bribery Act or occurrence of Fraud	A breach of the UK or USA Bribery Acts can lead to prosecutions and reputational damage.	• CTL maintains an Anti-Bribery policy and Risk Assessment procedures and ensures all staff are suitably trained at least once a year. • All vendors and contractors are risk assessed and all contracts awarded have requirements to adhere to applicable policies and procedures. • Management and monitoring of financial operating policies and procedures, including segregation of duties and management of authority levels across the management team.

Financial

RISK	DESCRIPTION	MITIGATION
Insufficient funding	CTL is dependent on external funding sources to develop and progress its assets. Failure to raise sufficient capital could result in a slowdown or halting of operational progress.	• Maintain financial control through annual budgeting and variance analysis. • Negotiate and oversee commercial contracts to ensure certainty and flexibility as needed. • Multiple sources of funding are and can be considered by the Board as a means of diversification from reliance on equity capital markets. • Maintain regular dialogue with potential funding sources under a clear future financing strategy to deliver stated objectives. • Postpone capital expenditure and discretionary spending where possible. • Consider the timing of equity or other funding raises to minimise any dilutive effect.

Financial review

Key Drivers for 2023

In the context of managing CTL's funds in an efficient and effective manner, the focus during 2023 was primarily twofold: to maintain progress and momentum on the Group's two main assets, namely: LV and FB; and to carry out the work needed for an initial technical assessment of the Llamara licences.

The Board has made clear its commitment to bringing LV into production as a priority, with FB to follow as soon thereafter as feasible. In addition, the Board has set targets and programmes to meet those objectives which are both ambitious but also achievable. With sufficient funds the Board is confident the technical, feasibility, environmental, regulatory and other approvals can be combined to allow CTL to meet its objective of transitioning into a leading lithium production company.

> "The Board has made clear its commitment to bringing LV into production in priority with FB to follow as soon thereafter as feasible."

Board and senior management visit the DLE Pilot Plant

Without doubt, CTL has been the most active lithium exploration and development player in Chile over the past two to three years:

- Undertaking geophysical and multiple technical studies in preparation for subsequent phases on each asset
- Drilling 14 wells in three challenging environments to deliver a combined total of 2.7 million tonnes LCE JORC Resource – including undertaking pump tests and other hydrogeological studies
- Completing two detailed scoping studies which demonstrate exciting and robust economics at industry-standard forward lithium prices; in turn enabling the preparation of a PFS for LV which CTL plans to complete in Q3 2024
- Procuring, shipping, constructing and then commissioning a 1 tonne per month DLE pilot plant – acquired from a Sunresin subsidiary in Belgium
- Commencing the work required to support the EIAs for LV and FB – involving extensive baseline studies
- Conducting metallurgical tests – both at lab-scale level and also on the ground at LV and FB, and
- Building a skilled and experienced management, operational and technical team in Chile to be able to deliver on the planned objectives, including the use of various consultants and specialist service companies.

All of this comes at a cost and requires the funds to maintain momentum towards meeting the Board's objectives. At the time of writing, CTL has spent more than £16 million in Chile on its work programmes over recent years.

Funding in 2023 and Strategy Beyond

CTL began 2023 with £12.4 million cash-in-hand after completing a £12.3 million fundraise (before expenses) in November 2022. That funding allowed CTL to undertake the extensive work programme, referred to on the previous page, throughout the year. Whilst the Company originally intended to dual list on the ASX during the second half of 2023, the rate at which several regulatory requirements with ASX could be addressed was slower than CTL would have liked, and so CTL had little choice but to defer any planned listing on the ASX until 2024. The requirement for CTL to have to make commercial changes to the LV Option Agreement, as announced on 22 April 2024, also held up the planned ASX listing.

To keep up momentum on the multiple capital programmes being run, CTL completed an over-subscribed placing on AIM in December 2023, raising £8.5 million (before expenses). This included £0.5 million raised through an open offer which allowed eligible shareholders to subscribe for placing shares on similar terms to those institutional investors which had participated. That funding allowed CTL to commit resources at the end of 2023 to allow it to begin an extensive programme in Q1 2024 (including a five-well drilling campaign at LV, a continuation of its EIA monitoring and review requirements, a more activated PFS process and the progression of CTL's DLE pilot plant through to commissioning and eluate production), all in the context of prioritising LV toward production. The Company ended 2023 with £6.2 million cash-in-hand.

The Company still plans to dual list on ASX in 2024; with the majority of the administrative and regulatory hurdles now addressed, the listing process is considered to be in a reasonably advanced stage at the time of writing. The Company will need to undertake an equity raise as part of that process, in large part to meet an ASX requirement to have a certain number of new Australian based shareholders. The amount of any fundraising on ASX is not yet decided and will invariably be considered in the context of other funding options.

The Board, which has extensive experience in funding major projects, looks forward to such discussions, knowing the Company will be negotiating from a position of strength at that time and with a product such parties will want to secure.

Overview of 2023 expenditure

Capex: Exploration & Evaluation assets

A total cash capex of £8.9 million was incurred in 2023 (2022: £4.4 million), made up as follows:

Capital expenditure	Comment	2023 £ million	2022 £ million
Drilling	In 2023, 7 wells completed on LV & FB. 1 on LL	6.19	3.43
Hydrogeology	Pump tests	0.57	0.07
DLE Pilot Plant	Initial acquisition and resin costs	0.57	0.12
EIA	Baseline & other studies	0.38	0.30
Communities	Contributions and office refurb.	0.19	-
Scoping & Feasibility	LV and FB Scoping Studies, LV PFS	0.29	0.09
Licences	All assets	0.56	0.30
Other	-	0.10	0.09
Cash costs		**8.85**	**4.40**

Income statement

Administrative costs totalled £5.9 million in 2023 (£3.8 million: 2022), with £4.2 million being cash costs.

Key costs in 2023 included:

Administrative costs	Comment	2023 £ million	2022 £ million
People	Jersey, London & Chile	1.21	0.57
Listing & Compliance	AIM and corporate governance	0.34	0.17
Travel	Conferences, marketing, travel in Chile	0.88	1.33
PR/IR	Includes consulting costs & conferences	0.58	0.12
Legal, finance, tax & audit	Including accounting services	0.68	0.33
Other G&A	Other overhead costs across the group	0.51	0.09
Cash costs		**4.20**	**2.61**
VAT provision	Note 12	1.24	0.6
Fair-value of share options	Note 14	0.45	0.59
Non-cash costs		**1.69**	**1.19**
TOTAL		5.89	3.8

In addition, other comprehensive income includes foreign exchange charges of approximately £1.0 million, which have arisen due to translational and transactional changes in GBP relative to USD and CLP currency movements.

Statement of financial position

The Group maintains a healthy statement of financial position at 31 December 2023, with net current assets of £6.1 million (2022: £12.1 million) reflecting current assets of £6.8 million (2022: £12.6 million) and £0.7 million (2022: £0.6 million) of current liabilities.

Financial Control

The Group maintains control over its day-to-day finances through a strong finance team based in the UK and Chile, supported by outsourced back-office accounting and tax compliance processes. A Group Financial Controller, Dermot Boylan, based in the UK, works alongside our Chile-based Finance Manager, Geraldine Carmona, who manages the finances for our work programmes in Chile.

Post Balance Sheet Events

On 12 April 2024 the Company announced the resignation of Aldo Boitano after he made the Company aware that he had entered into a personal loan under which he agreed to provide security over his shareholding. The granting of security and subsequent transfers of Ordinary Shares are considered notifiable events which should have been notified by Mr Boitano to the Company at the relevant time.

On 22 April 2024 the Company announced it had completed the planned acquisition of the 23 Laguna Verde licences previously subject to an option agreement resulting in the Company now having full ownership, as well as control, of the full 108 mining licences comprising the Laguna Verde project.

On 22 April 2024, the Company also announced it issued convertible loan notes to raise gross proceeds of £1 million for the Company on what the Directors believe are advantageous terms. Further details of the convertible loan notes are set out in the announcement.

On 8 May 2024 the Company announced as far as it can determine, Mr Boitano has ceased to have any beneficial ownership of shares in the Company.

Gordon Stein

Chief Financial Officer

20 May 2024

Governance

Corporate Governance Statement

Chairman's Corporate Governance Statement

Dear Shareholders,

Consistent with previous annual reports, we are pleased to present our Corporate Governance Statement for the year ended 31 December 2023.

We again want to confirm that at the heart of our business is a commitment to strong corporate governance, which allows us to grow successfully and earn the trust of our stakeholders. On behalf of the Board, I want to reconfirm to you our dedication to good governance across all aspects of our operations.

Since adopting the Quoted Companies Alliance Corporate Governance Code (2018) in 2021, we have maintained our commitment to complying with its recommended guidelines and are proud to report we continue to comply with the QCA code in all aspects of our business.

The QCA's ten principles of corporate governance have become an integral part of our corporate structure, and we work hard to ensure they are upheld throughout our organisation.

Our Board of Directors sets the tone for the entire company, ensuring that strong values are established and upheld by all employees. We believe that a strong corporate culture is critical to our success and we strive to ensure our business objectives, principles, and risks are guided by the values of good governance.

We value the input of our shareholders and recognise the essential role you play in our success. Therefore, we provide numerous opportunities for engagement with both our Board and executive team. We encourage you to make use of these opportunities to share your views and insights with us.

We are pleased that we can again report that during the period under review, there have been no significant changes to our corporate governance structure. However, in light of the recent announcement relating to Director's dealings the Audit & Risk Committees is considering whether and what improvements might be considered appropriate going forward.

Steve Kesler

Executive Chairman and Interim CEO

20 May 2024

QCA Principles

The Principles of the QCA code

The QCA code has ten principles of corporate governance that the Company and Group is committed to applying. In 2023, the Code was updated with the aim of enhancing corporate governance by promoting purpose-driven strategies, ESG integration, board independence, diversity, shareholder engagement, and transparency with Companies being encouraged to transition from 01 April 2024.

Principle	Description	Comment and disclosure
Deliver growth		
1	Establish a strategy and business model which promote long-term value for Shareholders	See **page 7** of this Annual Report.
2	Promote a corporate culture that is based on ethical values and behaviours	See the Company's commitments to CSR and ESG from **page 22** of the Annual Report.
3	Seek to understand and meet Shareholder needs and expectations	See website disclosures: Principle Two AIM Rule 26. In addition, and amongst other things communications are also delivered through its annual and interim reporting, through RNS's where appropriate, through shareholder meetings, investor events, representation at industry bodies and at conferences and event etc.
4	Take into account wider stakeholder and social responsibilities and their implications for long-term success	See website disclosures: Principle Three AIM Rule 26 and Director responsibilities on **page 41** and the CSR responsibilities on **page 22**.
5	Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Group's risk framework and register are overseen by the Audit & Risk Committee. The risks recognised are summarised as a part of the Business Risk section **page 25** of this Annual Report.
Maintain a dynamic management framework		
6	Maintain the Board as a well-functioning, balanced team led by the Chair	See Board of Directors section starting on **page 34** of this Annual Report.
7	Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities	See Board of Board Committees starting on **page 35** and Directors section also on **page 35** of this Annual Report.
8	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	Now that the Board is fully constituted and committees functioning a formal Board evaluation process will be implemented in 2024.
9	Establish a remuneration policy which is supportive of long-term. value creation and the company's purpose, strategy and culture	Refer Remuneration Committee **page 35**.
Build trust		
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Board is committed to the highest standards of governance and where any infringement of those standards is identified an immediate and decisive response is undertaken. The Board and its Committees provide the framework for that action, refer Board of Board Committees starting on **page 35** and Directors section also on **page 35** of this Annual Report.

Board of Directors

Composition and appointment dates

During 2023, the Board was comprised of an executive chairman, two executive directors (CEO and CFO) and three independent non-executive directors, one of whom is designated as senior independent director.

The Board brings extensive industry, financial, public markets, and governance expertise, ensuring a well-rounded combination of skills, qualities, and capabilities to successfully execute the Company's strategy for the benefit of shareholders over the medium to longer-term.

The Chairman and CEO roles, as a matter of policy, are separated in line with best practice. However, as is explained in the Chairman's report, the recent departure from the Board of Aldo Boitano has left the CEO position vacant and given Steve Kesler's experience in managing mining development projects and operations including lithium he has kindly agreed to combine the CEO role with that of being Chairman on an interim basis. The Board considers that the special circumstances demand this approach and are actively seeking a replacement CEO, on the appointment of which Steve will revert to his role of Executive Chairman.

The Board stays informed on governance and AIM regulations through updates from the Company's lawyers. The NOMAD provides boardroom and onboarding training. Directors have access to the NOMAD, Company secretary, lawyers, auditors, and external advice as needed.

Matters reserved for the Board

The directors adopted a schedule of those matters that should be reserved for the Board. Those matters include:

- Approval of the Group's strategy and objectives;
- Approval of the Group budgets, including operating and expenditure budgets;
- Growth of activities into new business or geographical locations;
- Material changes to the Group's structure and management; and
- Changes to the Company's listing, governance, or business processes.

Director summaries

Dr. Steve Kesler

Steve Kesler, Executive Chairman and Interim CEO, was appointed on 1 September 2022, initially as Non-Executive Chairman. Steve is the former CEO of Collahausi and VP of Business Development at Escondida leading growth from start-up of 300k tpa to largest copper mine in the world. He was also CEO of the ASX listed European Lithium. Steve holds a PhD in Mineral Technology and has 47 years of experience in executive and board roles in the mining sector.

Gordon Stein

Gordon Stein, Chief Financial Officer, was appointed on 12 October 2021. Gordon is a commercial CFO with over 30 years of expertise in the energy, natural resources and other sectors in both executive and non-executive director roles. Gordon is a chartered accountant, worked with start-ups to major companies, including board roles of six LSE companies.

Jonathan Morley-Kirk

Jonathan Morley-Kirk, Non-Executive Director and Senior Independent Director was appointed on 1 August 2021. Jonathan holds 30 years of experience including 20 years in Non-Executive Director roles with expertise in financial controls, audit, remuneration, capital raisings, taxation/ structuring and risk management.

Maha Daoudi

Maha Daoudi, Non-Executive Director, was appointed on 28 March 2023. Maha is the former global head of copper concentrates trading at Trafigura. Maha has expertise in offtake agreements and forming strategic partnerships with particular experience in China. Over 20 years of experience holding several Board and senior level positions across commodities, energy transition, finance and tech-related industries.

Tommy McKeith

Tommy McKeith, Non-Executive Director, was appointed on 21 June 2023. Tommy is a former Executive Vice President Exploration and Projects of Gold Fields Ltd and Chairman of Genesis Minerals Limited and is a current Non-Exec Director at Evolution Mining and Arrow Minerals Ltd. He has 35 years of experience as a public company director and geologist having worked in bulk, base and precious metals in The Americas, Africa, and Australia across international and ASX listed mining companies.

Ex-director summaries

Dr. Aldo Boitano

Aldo Boitano, Former Chief Executive Officer, co-founded the company in 2017. Aldo has over 25 years of management roles in the US & Chile. Aldo is a board member of the International Leadership Association and a pioneer in Chile's solar energy industry with >800MW of projects deployed. Aldo is now a consultant to CTL and supports the Company with its CEOL applications and local stakeholder relationships. Aldo resigned as CEO in April 2024.

Board Committees

The Board has established an Audit and Risk Committee, a Remuneration Committee and an ESG Committee. At present, a decision has been made not to establish an HSE committee since the Company is non-operating and still in the developing stage. The HSE matters are dealt with within the Board meetings.

Audit and Risk Committee

The Audit and Risk Committee comprises Tommy McKeith and Jonathan Morley-Kirk, who acts as Chair. Formerly the Committee comprised of Steve Kesler who stepped down as a part of his transition to an executive role during 2023.

The Audit and Risk Committee, among other things, determines and examines matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Group's auditors relating to the half yearly and annual accounts and the accounting and the internal control systems in use throughout the Group.

In addition, the Audit and Risk Committee is responsible for consideration of enterprise risk and overseeing the professional and other operational business risk issues affecting the Group and management of those risks (including ethics and independence) to ensure that they remain robust, appropriate and effective.

An important part of the role of the committee is its responsibility for reviewing and monitoring the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment, and reporting of risk. The audit committee is also responsible for overseeing the relationship with the external auditor.

During 2023 the audit and risk committee:

- Met with the Company's auditor;
- Approved the audited year end and interim financial statements; and
- Recommended to shareholders the re-appointment of the Company's auditor, Crowe U.K. LLP.

Remuneration Committee

The Remuneration Committee comprises of Maha Daoudi and Tommy McKeith, who acts as Chair. Formerly the Committee comprised of Jonathan Morley-Kirk and Steve Kesler, who acted as Chair. Steve Kesler stepped down from his Committee role as a part of his transition from being a non-executive to executive director. Jonathan Morley-Kirk stepped down from his Committee role as a part of taking on the appointment of senior independent director.

The Remuneration Committee reviews and make recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee will also make recommendations to the board concerning the allocation of share options to employees under the intended share option schemes.

The remuneration of the non-executive directors is considered by the executive directors, in consultation with the Group's advisors and Nomad where appropriate.

During 2023, the Committee met once in the year and the following matters were included in its deliberations:

- Assessed the performance of the executive directors;
- Reviewed the pay and benefits of the executive directors and management in line with performance and contribution; and
- Reviewed and recommended the salary increments and share option awards to the directors and staff.

The Committee is currently leading the search for a new CEO and will make appropriate recommendations to the Board on this in due course.

ESG Committee

The ESG Committee comprises of Jonathan Morley-Kirk, and Maha Daoudi who acts as Chair.

The Board formally set up its ESG Committee in Q2 2023 with a broad mandate to ensure the directors are being held accountable across all ESG matters. The composition of the ESG Committee and its formal board mandate was finalised in late Q2 2023 with the first meeting being held on 30 June 2023. The role and primary purpose is as follows:

- create stakeholder and shareholder value by understanding, managing, monitoring and reporting on sustainability and ESG risks and opportunities to ensure the long-term viability and growth of the Company.
- ensure that ESG principles are applied as a lens against all Company strategic decisions related to ESG outcomes, including environmental, social (including employees, local communities, and wider societal interests e.g. stakeholder engagement), and the way ESG matters are governed by the Company (e.g. stakeholder engagement, application of local and international laws, ESG investor ratings, company structure, etc.).
- ensure communication throughout the Company of the importance of developing a culture of ESG risk management, environmental and community responsibility and an awareness of the importance of health and safety and the preservation of human rights.

The Committee meets monthly and invites other members of the company to update on the particular topics when appropriate.

Nomination Committee

The Directors do not consider that, given the size of the Board, it is appropriate to have a Nomination Committee. It is intended that the responsibilities of a nominations committee will be rolled into the Remuneration Committee as part of the process for listing on the ASX.

Board Meetings

Formal Board meetings are held on the island of Jersey every two to three months, with regular contact between meetings as needed. The meetings focus on monitoring and implementing strategy, reviewing performance (including HSE, operations, cash forecasts, ESG compliance), considering potential acquisitions, fundraising activity, and approving shareholder and stakeholder communications.

The Board's responsibilities include approving strategic and long-term objectives, policies, and budgets, overseeing changes to the management structure, approving financial statements, and ensuring the maintenance of good internal control systems. Procedures are in place to provide timely information to the Board, and Directors can seek independent professional advice at the Group's expense.

Directors are encouraged to stay updated through training, professional development, reading, and on-the-job experience. They are expected to dedicate the necessary time for their duties, prioritize and attend Board meetings, and participate in additional meetings when possible.

In addition, and in accordance with its commitment to the QCA code, the Board ensures at least one session each year is dedicated to strategy, which will include input from senior members of the Company and any necessary external advisers. The outcomes are reflected variously in the Strategic Report Section of this Annual Report and Accounts.

Board meeting attendance in 2023 is summarised in the table below

Type	Total	SK	JMK	AB	GS	MD*	TMcK*
Board - informal	11	11	10	11	11	8	6
Board - formal	7	6	6	6	7	6	2
Remuneration Committee	1	1	1	-	-	-	-
Audit and Risk Committee	2	2	2	-	-	-	-
ESG Committee	5	-	5	5	-	5	-
	26	**20**	**24**	**22**	**18**	**19**	**8**

* Maha Daoudi and Tommy McKeith both joined the Board during the year; their attendance at Board meetings prior to their joining would not have been possible.

Key: SK - Dr. Steve Kesler JMK - Jonathan Morley-Kirk AB - Dr. Aldo Boitano GS - Gordon Stein MD - Maha Daoudi TMcK - Tommy McKeith

Performance

CTL prioritises the effectiveness of the Board, committees, and individual performance. Formal Board meetings are held regularly, supplemented by additional meetings as needed for business demands.

Directors ensure strong communication between executive and non-executive directors, focusing on both standing agenda items and strategic business needs. Actions are tracked for delivery and follow-up. Furthermore, directors understand their fiduciary duties and have access to the Company's NOMAD and auditors as required. External advice is also available at the Company's expense. Continuous efforts are made to strengthen governance, with consultations ensuring compliance with the QCA Code, Companies Act, and other statutory requirements.

The performance of the business and the Board and executives is fundamentally based on the achievement of certain specific desired outcomes.

Directors' Remuneration

The Remuneration Committee, along with the Board, is dedicated to attracting and retaining talent across the Board and Management group. It ensures policies and frameworks are in place to reward staff, creating value for shareholders.

The Company offers a fixed remuneration package, including salary, pension, and specified benefits, along with a discretionary share option scheme. No cash bonuses were made in January 2023 for the 2022 financial year. Bonus awards and options for the Executive Chairman, CEO and CFO are discretionary and contingent on individual and Company performance. A pension scheme, with a 5% Company contribution, is provided to all employees meeting certain criteria.

The fees paid to the non-executive directors are set at a level both in line with the market and to appropriately reward and retain individuals of a high calibre. The fees paid reflects the level of commitment and contribution to the Company.

Fees are paid monthly and inclusive of all committee roles and responsibilities.

Salary and fees

Name	Notes	Salary / fee	Bonus	Pension	Total 2023	Total 2022
Steve Kesler	1	93,527	-	-	93,527	44,000
Aldo Boitano	2	168,014	-	8,401	176,415	133,000
Gordon Stein	3	157,269	-	7,863	165,132	115,500
Jonathan Morley-Kirk	4	45,524	-	-	45,524	33,000
Maha Daoudi	5	43,407	-	-	43,407	-
Tommy McKeith	6	45,084	-	-	45,084	-
Total		**552,825**	**-**	**16,264**	**569,089**	**325,500**

Notes

1. From 01-Jan-23 to 27-Mar-23, Dr Kesler held the role of Non-Executive Chairman for which he was remunerated at a rate of £48,000 on a pre-tax annualised basis. From 28-Mar-23 to 31-Dec-23, Dr Kesler transitioned to an executive role, for which he has been remunerated at a rate of £108,000 on a pre-tax annualised basis. Dr Kesler has agreed to have his remuneration settled in shares with the price per share being based on a volume weighted average price of the Company's shares listed on AIM every month. Dr. Kesler's remuneration has been increased to a rate of £180,000 on a pre-tax annualised basis for the period under which he is also undertaking the role of Interim CEO. This increased remuneration will also be taken in shares.
2. From 01-Jan-23 to 31-Mar-23, Mr Boitano was remunerated at a rate of £133,000 (excluding pension) on a pre-tax annualised basis. Following a formal review by the Remuneration Committee to bring remuneration more in line with AIM listed peers Mr Boitano's remuneration was increased. Consequently, from 01-Apr-23 to 31-Dec-23, he was remunerated at a rate of £180,000 (excluding pension) on a pre-tax annualised basis.
3. From 01-Jan-23 to 31-Mar-23, Mr Stein was remunerated at an annual rate of £126,000 (excluding pension). Following a formal review by the Remuneration Committee to bring remuneration more in line with AIM listed peers Mr Stein's remuneration was increased. Consequently, from 01-Apr-23 to 31-Dec-23, he was remunerated at an annual rate of £168,000 (excluding pension).
4. From 01-Jan-23 to 30-Jun-23, Mr Morley-Kirk was remunerated based on an annualised salary of £39,600. From 01-Jul-23 Mr Morley-Kirk was appointed to the role of Senior Independent Non-Executive Director and has continued in his role as Chair of the Audit Committee, accordingly his remuneration was increased to £51,600 on an annualised basis.
5. Maha Daoudi was appointed on 27-Mar-2023; from the date of her appointment to 30-Jun-23 Ms Daoudi was remunerated at an annual rate of £39,600. From 01-Jul-23 she was appointed to the role as Chair of the ESG Committee so from 01-Jul-23 to 31-Dec-23, accordingly her remuneration was increased to £45,600 on an annualised basis.
6. Tommy McKeith was appointed on 21 June 2023; from the date of his appointment to 30-Jun-23 Mr McKeith was remunerated based on an annualised rate of £39,600. From 01-Jul-23 he was appointed to the Audit Committee and was appointed to the role as Chair of the Remuneration Committee, so from 01-Jul-23 to 31-Dec-23 remuneration was increased to rate of £45,600 on an annualised basis.

Share options

Executive directors are awarded share options with vesting criteria linked to performance related criteria. Non-executive directors are awarded share options with non-performance linked vesting criteria (i.e. share options which vest at specific points in time irrespective of achievement of performance or progress-related milestones).

Name	Note	Grant date	Vesting criteria	Exercise price GBP £	Vested #	Not vested #	At 31-Dec -23 Total #	At 31-Dec -22 Total #
S. Kesler	1	15-Sep-22	11-Mar-23	0.57	85,000	-	85,000	255,000
		31-Mar-23	M1, M2, M3	0.57	56,667	113,333	170,000	-
		31-Mar-23	M1, M2, M3	0.57	102,000	204,000	306,000	-
A. Boitano	-	18-Feb-22	17 Mar 22	0.36	1,300,000	-	1,300,000	1,300,000
A. Boitano	-	15-Sep-22	M1, M2, M3	0.57	170,000	340,000	510,000	510,000
G. Stein	-	18-Feb-22	17-Mar-22	0.36	300,000	-	300,000	300,000
G. Stein	2	31-Mar-23	M1, M2, M3	0.57	153,000	306,000	459,000	21,000
J. Morley-Kirk	-	15-Sep-22	Time	0.57	68,000	-	68,000	204,000
		31-Mar-23	Time	0.57	-	136,000	136,000	-
M. Daoudi	-	31-Mar-23	Time	0.57	-	204,000	204,000	-
T. McKeith	-	20-Jun-23	Time	0.57	-	204,000	204,000	-
Total					**2,234,667**	**1,507,333**	**3,742,000**	**2,590,000**

Directors' shareholdings

The following table shows the interests in the Company's securities held by the Directors.

	At 31-Dec-23 Total #	31-Dec-22 Total #
Gordon Stein	721,675	608,037
Steve Kesler	718,182	350,000
Jonathan Morley-Kirk	453,638	340,000
Maha Daoudi	279,092	-
Tommy McKeith	454,546	-
Aldo Boitano*	9,400,002	9,400,002
Total	**12,027,135**	**10,698,039**

*It should be noted Aldo Boitano has since resigned as a director and no longer holds any shares in the Company. Please refer to the Note 21 on subsequent events for further information.

Notes

1. At the point Dr Kesler transitioned from being a non-executive chairman to being executive chairman, one third of his non-performance linked share options had vested. The remaining two thirds of his share options which had not vested at that time were reconstituted and linked to the same performance criteria denoted in M1, M2 and M3 below.

   The 85,000 non-performance linked share options held by Dr Kesler expire on fifth anniversary of their vesting date.

2. Mr Stein was originally granted 459,000 performance-linked share options on 15-Sep-22, however, for administrative reasons, those share options were cancelled and re-granted and on 31-Mar-23. All vesting, pricing and expiry criteria pertaining to the original share options were unchanged from upon their being re-granted after having been cancelled.

Vesting criteria

M1 This vesting condition is met when the Board publishing a JORC 'measured and indicated' resource total of 1m tonnes (or more) of Lithium Carbonate Equivalent; this condition was met during 2023.

M2 This vesting condition is met when the Board agrees to the publication of a Pre-Feasibility Study (PFS).

M3 This vesting condition is met when proposed pilot plant testing process has met its objectives to produce sufficient battery grade lithium carbonate and/or lithium hydroxide to enable the Company to supply material for offtake customer testing and to provide process design data for the Definitive Feasibility Study (DFS).

Time Refers to annual anniversary time vesting points.

Directors' Report

The directors submit their report and accounts for the financial year ended 31 December 2023. The comparative period is the year ended 31 December 2022.

Principal activities

CleanTech Lithium Plc is the holding Company for a group of companies. The principal activities of the Group are the exploration, development and production of lithium in Chile. The Group's investment policy is guided by its strategy roadmap, in particular to fund its growth through targeted development of its assets and strategic M&A.

Results and dividends

Loss on ordinary activities of the Group after taxation amounted to £5.89 million (2022: loss of £3.8million). The Directors do not recommend payment of a dividend (2022: £nil).

Subsequent events

At the date financial statements were approved, the directors were not aware of any significant post balance sheet events other than those set out in the Annual Report or the notes to the financial statements (Note 21).

Substantial shareholders

A list of substantial Shareholders with interests of 3% or more is published on CleanTech Lithium's website.

Directors

During the year, Ms Maha Daoudi and Mr Tommy McKeith were appointed as non-executive directors. In addition, on 28 March 2023 Dr Steve Kesler transitioned from a Non-Executive to Executive Chairman role and on 20 June 2023, Mr Jonathan Morley-Kirk assumed the role as Senior Independent Non-executive Director.

During the year, no directors stepped down from the board, although on 12 April 2024 its acceptance of Mr. Boitano's resignation with immediate effect. Details of directors' remuneration and interests are set out on **pages 37 and 38**.

Environmental responsibility

The Group is aware of its potential for impact on the environment. Consequently, and at a minimum, CTL seeks to comply with the regulatory requirements in the jurisdictions in which it operates and with the revised Equator Principles regarding the environment.

Employment policies

The Group is committed to promoting policies which ensure that high-calibre employees are attracted, retained and motivated, to ensure the ongoing success of the business. Employees and those who seek to work within the Group are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin. Details of the Group's objectives on this are further outlined under its diversity and inclusiveness objectives **page 23**.

Health and safety

CTL continues to aim for, achieve and maintain a high standard of workplace safety. At the core of that effort, is the training and support provided to employees and high standards for workplace safety across throughout the Group.

Donations, and corporate and community responsibilities

On 12 December 2023, CTL formed an alliance with indigenous communities to co-develop sustainable lithium projects in the Atacama region. The alliance will ensure that the extraction processes conducted in the region by the Company comply with the highest international standards, including a process of early consultation with the communities to see their direct participation by providing data for the environmental baselines required for the EIA. This agreement will acknowledge the ancestral settlements and use of the lands to develop a lithium industry grounded in sustainability principles. Refer to **page 24**.

Business integrity

CTL continues uphold its corporate responsibility in a meaningful, cost-effective and sustainable way. A clear set of values provides the context and standards expected of employees and contractors; a copy of which is available on CTL's website.

A zero-tolerance approach is taken toward bribery and corruption or unethical conduct. CTL also has a Whistleblowing Policy, which applies to all staff, and provides a process by which concerns relating to such matters can be escalated with confidence.

Report on gender representation

At the end of 2023, of the six directors, one director was female and five were male (2022 none was female); of the wider management group, 40% was female and 60% was male (approximately 42% was female in 2022).

Annual general meeting

Under Jersey law, CleanTech Lithium Plc must hold its next AGM no more than 18 months after its last AGM, which was 31 May 2023. Notwithstanding, it is expected CTL will hold its next AGM in advance of the deadline and will notify shareholders accordingly.

Auditors

During the year, Crowe U.K. LLP (Crowe) had been appointed as the Group's auditor. The Directors have agreed to recommend that Crowe be re-appointed as auditor at the next AGM and Crowe has indicated its willingness to continue in office. In accordance with the Companies (Jersey) Law 1991, a resolution proposing that Crowe U.K. LLP be re-appointed will be put to the Annual General Meeting.

Going Concern

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

As a part of its Going Concern assessment, consideration has been given to the Group's anticipated activities which have been included in the financial forecast. 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 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 financial statements.

The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

Events since the year end

Since the year end the following summarises the material events which have occurred and been announced.

- The resignation of Aldo Boitano as Chief Executive Officer, with effect from 12 April 2024; further details are set out in Note 21
- The buy-out of the LV option agreement. This buy-out formalises CTL's legal ownership of the mining concessions of interest in the Laguna Verde asset, further details are set out in Note 21; and
- The issuance of a convertible loan note ("CLN"), further details are set out in Note 21

Statement of disclosure of information to auditors

At the date of this report the serving Directors confirm that:

- as far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Gordon Stein

Chief Financial Officer

20 May 2024

Statement of Directors' Responsibilities

Directors' responsibilities

The Directors have agreed they are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with the financial reporting framework and in accordance with applicable law and regulations.

The Directors have agreed not to approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the Group's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with U.K. IFRSs and the Companies (Jersey) Law, 1991; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

In accordance with Article 103 of the Companies (Jersey) Law, 1991 the Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the financial reporting framework and the Companies (Jersey) Law, 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the CleanTech Lithium Plc website.

Electronic communications

The maintenance and integrity of the Group's website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to these financial statements since initially being presented on the website.

Gordon Stein

Chief Financial Officer

20 May 2024

Independent Auditor's Report to Members of CleanTech Lithium Plc

Opinion

We have audited the financial statements of Cleantech Lithium Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2023;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards ("UK IAS").

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements, which indicates that the Group will be required to rely on externally sourced funding to continue as a going concern. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following:

- We confirmed our understanding of the Group's going concern assessment process. We have obtained and reviewed the Board's paper setting out the going concern assessment and examined supporting working capital forecasts;
- We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment;
- We tested the integrity of the going concern model, reviewed and challenged the underlying data and key assumptions used to make the assessment;
- We discussed with management the quantum and timing of the future fund raises, we obtained evidence regarding progress and also evidence of alternatives if their primary plan was delayed; and
- We assessed the adequacy of the disclosures made in the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £300,000 (2022: £250,000), based on approximately 1.5% (2022: 1.5%) of the Group's total assets. We consider an asset-based measure to be appropriate because of the stage of development of the assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £210,000 (2022: £175,000) for the group.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £9,000 (2022: £7,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our group audit strategy focused on the Parent Company and its significant components, which were subject to full scope audits. In addition to the parent company, we also identified three significant components which are principally accounted for from one central operating location in Santiago, Chile. The audit of these significant components was performed by a local Crowe member firm under the direction and supervision of the Group audit team. We conducted our oversight of our component audit team through regular dialogue via conference calls and other forms of communication as considered necessary. We performed remote working paper reviews to satisfy ourselves as to the appropriateness of the audit work performed by our component audit team. The audit of Parent Company and its UK subsidiary was conducted from the UK. All Group companies were within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty in relation to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of exploration and evaluation assets.	We confirmed the existence and the design effectiveness of control around the approval of capitalised expenditure and management's impairment assessment for exploration and evaluation assets.
At the reporting date the carrying value of the Group's exploration and evaluation assets were £13.71million (2022: £5.32million) as detailed in note 11 to the financial statements.	For a sample of costs capitalised we validated the costs incurred were correctly measured and appropriately allocated to the mining projects.
There is a risk that costs are capitalised which do not meet the criteria set out within IFRS 6. There may also be evidence of impairment to the carrying value of the exploration and evaluation assets.	We reviewed management's impairment assessment which concluded that there are no facts or circumstances that suggest that there any indicators of impairment of the asset or that the recoverable amount is less than the carrying value.

Key audit matter	How the scope of our audit addressed the key audit matter
As part of our risk assessment, we determined that the carrying amount of the asset is the core asset for the valuation of the Group and impairment assessment requires the use of judgment and estimates which are likely give rise to significant risk.	In considering this assessment we reviewed the following sources of evidence: • the right to explore the area and the validity of the exploration licences; • board minutes, budgets and other operational plans setting out the Group's current plans for the continued commercial appraisal of the mining development assets; • current and future metal price; • challenged management the effect of the falling lithium pricing and its adverse impact to the economic model; and • current plans and intentions for the asset with management. Based on the above audit procedures, we consider the accounting for the intangible assets and the related valuations of the intangible assets to be reasonable and in line with our expectations. We also reviewed the related disclosures in the notes to the financial statements for compliance with accounting standards and consistency with the results of our work, with no matters arising.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on **page 41**, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the Jersey, United Kingdom and Chile jurisdictions in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, reviewing of minutes of meetings of those charged with governance and discussed with the company's legal counsel in Chile to identify any non-compliance with laws and regulations, testing a risk based selection of journals, assessing the accounting treatment of non-routine transactions, corroborating amounts and balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under UK IAS and applicable law.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Charlton, for and on behalf of **Crowe U.K. LLP,** Statutory Auditors,

London, United Kingdom

20 May 2024

Financial results

Consolidated Statement of Comprehensive Income

	Notes	Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Income			
Administrative costs	5	(4,646,803)	(3,149,184)
Provision for Chilean VAT recoverable	5	(1,238,798)	(644,602)
Operating loss		**(5,885,600)**	**(3,793,786)**
Finance cost		-	(6,751)
Loss before tax		**(5,885,600)**	**(3,800,537)**
Income tax	7		
Loss for the year after tax		**(5,885,600)**	**(3,800,537)**
Other comprehensive (loss)/income:			
Foreign exchange differences arising on translation of functional currencies		(1,021,070)	337,604
Total comprehensive loss for the year		**(6,906,670)**	**(3,462,933)**
Loss per share			
Basic and diluted (GBP £)	8	(0.054)	(0.048)

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

All amounts are derived from continuing operations.

Consolidated Statement of Financial Position

	Notes	Audited as at 31 Dec 23 £	Audited as at 31 Dec 22 £
Exploration and evaluation assets	11	13,710,413	5,317,412
Non-current assets		13,710,413	**5,317,412**
Cash and cash equivalents		6,202,028	12,368,265
Trade and other receivables	12	610,898	278,339
Current assets		6,812,926	**12,646,604**
Trade and other payables	16	(351,637)	(440,338)
Provisions and accruals	16	(378,713)	(193,408)
Curent liabilities		(730,350)	**(633,746)**
Net assets		19,792,989	**17,330,270**
Share capital	13	26,310,625	21,076,155
Capital reserve		(77,237	(77,237)
Share based payment reserve		5,713,259)	1,578,340
Foreign exchange reserve	17	(705,375)	315,695
Accumulated losses	17	(11,448,283)	(5,562,683)
Equity and reserves		19,792,989	**17,330,270**

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

These financial statements were approved and authorised for issue by the Board of directors on 20 May 2024 and were signed on its behalf by:

Gordon Stein

Chief Financial Officer

Consolidated Statement of Changes in Equity

	Share Capital £	Capital Reserve £	Share based payments reserve £	Foreign exchange reserve £	Accumulated losses £	Total £
At 1 January 2022	**-**	**5,313,295**	**-**	**(21,909)**	**(1,762,146)**	**3,529,240**
Loss for the year	-	-	-	-	(3,800,537)	(3,800,537)
Other comprehensive income	-	-	-	337,604	-	337,604
Total comprehensive loss	-	-	-	337,604	(3,800,537)	(3,462,933)
Share options and warrants	(989,115)	-	1,578,340	-	-	589,225
Share-for-share exchange	5,051,201	(5,051,201)	-	-	-	-
Shares issued in subsidiaries	-	(339, 331)	-	-	-	(339, 331)
Shares issued	17,014,069	-	-	-	-	17,014,069
31 December 2022	**21,076,155**	**(77,237)**	**1,578,340**	**315,695**	**(5,562,683)**	**17,330,270**
At 1 January 2023	21,076,155	(77,237)	1,578,340	315,695	(5,562,683)	17,330,270
Loss for the year	-	-	-	-	(5,885,600)	(5,885,600)
Other comprehensive income	-	-	-	(1,021,070)	-	(1,021,070)
Total comprehensive loss	-	-	-	(1,021,070)	(5,885,600)	(6,906,670)
Share options and warrants	(3,074,767)	-	4,134,919	-	-	1,060,152
Shares issued	8,309,237	-	-	-	-	8,309,237
31 December 2023	**26,310,625**	**(77,237)**	**5,713,259**	**(705,375)**	**(11,448,283)**	**19,792,989**

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

Consolidated Statement of Consolidated Cash Flows

		Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Loss after tax for the period		**(5,885,600)**	**(3,800,537)**
Non-cash items:			
Fair value recognition of share options and warrants		527,931	443,690
Movement in trade and other receivables		(313,355)	(226,877)
Movement in payables, provisions and accruals		262,447	115,412
Finance costs		-	6,751
Net cash used in operating activities		**(5,408,577)**	**(3,461,561)**
Expenditure on exploration and evaluation assets	11	(8,851,684)	(4,403,228)
Net cash used in investing activities		**(8,851,684)**	**(4,403,228)**
Net proceeds from issue of ordinary shares	13	8,192,346	17,014,069
Finance costs		-	(6,751)
Net cash generated from financing activities		**8,192,346**	**17,007,318**
Net cash flow		**(6,067,915)**	**9,142,529**
Cash and cash equivalents brought forward		12,368,265	3,230,997
Net cash flow		(6,067,915)	9,142,529
Effect of exchange rate changes		(98,322)	(5,261)
Cash and cash equivalents carried forward		**6,202,028**	**12,368,265**

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

Notes to the Financial Statements

for the year ended 31 December 2023

1. General information

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

The consolidated financial statements of CleanTech Lithium Plc for year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board on 20 May 2024.

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

On 14 February 2022, a share-for-share exchange between the shareholders of CleanTech Lithium Ltd (CTL Ltd, or the U.K. entity) and CTL Plc completed, resulting in CTL Plc acquiring and becoming the parent company of CTL Ltd and its wholly owned subsidiaries, together "CleanTech Lithium Group" or the "Group".

During the year to 31 December 2023, there have been no changes to the structure of the CleanTech Lithium Group.

2. Basis of preparation

The financial statements have been prepared in accordance with U.K.-adopted international accounting standards. These financial statements are for the year 1 January 2023 to 31 December 2023 and the comparatives are for the year 1 January 2022 to 31 December 2022.

Throughout the reporting period, including the comparatives, the historical cost basis of preparation is used, except for certain financial assets measured at fair value.

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

As permitted by Companies (Jersey) Law 1991 only the consolidated financial statements are presented.

Notes to the Financial Statements - continued

for the year ended 31 December 2023

Going Concern

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

As a part of its Going Concern assessment, consideration has been given to the Group's anticipated activities which have been included in the financial forecast. 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 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 financial statements.

The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

3. Material accounting policies

The preparation of the Group's financial statements is done in compliance with U.K. adopted International Accounting Standards and the following summarises the Group's material accounting policies.

Standards and interpretations issued but not yet applied

At the date of the Group's financial statements, the Directors have reviewed the standards in issue by the UK Endorsement Board and the International Financial Reporting Interpretations Committee by the International Accounting Standards Board, which are effective for periods beginning on or after the stated effective date but have not yet been applied. In their view, these standards would not have a material impact on the financial reporting of the Group.

Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in pound sterling, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of the Chilean entities are recorded in CLP $ and, where relevant 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 a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of gain or loss on sales.

Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognised in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or enacted substantively at the period end, and adjusted for amendments to tax payable with regards to previous years. The tax rates that apply in each foreign jurisdiction are disclosed in Note 7.

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

Notes to the Financial Statements - continued

for the year ended 31 December 2023

measured using the enacted or enacted substantively tax rates expected to apply when the asset is realised, or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period that substantive enactment occurs.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination;
- the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- the initial recognition of an asset or liability in a transaction which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Exploration and evaluation assets

Exploration and evaluation assets are capitalised as intangible assets on an individual prospect basis until such time as an economic volume is defined or the prospect is abandoned. No costs are capitalised until the legal right to explore the property has been obtained. When it is determined that such costs will be recouped through development and exploitation, the capitalised expenditure is first tested for impairment, then transferred to tangible assets and depreciated over the expected productive life of the asset.

Costs for a producing prospect are amortised on a unit-of-production method, based on the estimated life of the reserves, while costs for the prospects abandoned are written-off.

Impairment reviews for 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 the income statement depending on the nature of the option agreement.

The recoverability of the amounts capitalised for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Group's interest in the underlying mineral claims, the ability to develop its exploration and evaluation assets, the ability to obtain the necessary financing to complete their development and future profitable production.

Capitalising of people costs

The relevant portion of employee and contractor costs (including the share-based payment charge) incurred for service and activity deemed to relate to the evaluation, technical feasibility and commercial viability of extracting a mineral resource are capitalised.

Environmental rehabilitation

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

At the reporting date, the Group has no environmental rehabilitation obligations 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 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.

Notes to the Financial Statements - continued

for the year ended 31 December 2023

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the income statement.

For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments

Where applicable, the Directors classify the Group's financial assets in the following categories:

- financial assets at "fair value through income statement"; or
- loans and receivables

The classification depends on the purpose for which the financial assets were acquired. The classification of the Group's financial assets is determined at initial recognition and depends on the nature and purpose of the financial instrument.

Financial assets carried at fair value through income statement are recognised and recorded initially at fair value and transaction costs are expensed in the income statement.

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. The Group has no regular cash inflow 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 a;
- 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 investment 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.

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 below. This analysis assumes that all other variables, in particular interest rates, remain constant.

At 31 December 2023	
Effect on net assets of the Group:	£
Strengthened by 10%	15,369
Weakened by 10%	(15,369)

At 31 December 2022	
Effect on net assets of the Group:	£
Strengthened by 10%	478,845
Weakened by 10%	(478,485)

Notes to the Financial Statements - continued

for the year ended 31 December 2023

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.

Loans and receivables

Other receivables and borrowings that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". "Loans and receivables" are recognised initially at the transaction value and carried subsequently at amortised cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end.

The Directors have classified the Group's other receivables and borrowings as "loans and receivables".

Share based payments

The fair value of share options or warrants granted is charged to the income statement or capitalised in the statement of financial position, with a corresponding increase in a share-based payment reserve. The fair value of share options is measured at grant date, using the Black-Scholes pricing model, and spread over the period up to the point the vesting condition is met. Upon exercise, the share-based payment reserve is released to the accumulated profit or loss. The warrant instruments granted to any counterparty are measured and recognised in the same way as share options at the date of issue.

Other financial liabilities

"Other financial liabilities" are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Directors have classified the Group's other payables as "other financial liabilities".

4. Significant accounting estimates and judgements

The preparation of financial statements confirming with adopted IFRSs requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities as at the reporting date and the reported amount expenses during the period. Actual outcomes may differ from those estimates. The key sources of uncertainty in estimates that have a risk of causing material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are the impairment of assets and the Group's going concern assessment, as described in note 2. In addition, judgement is required to be exercised in determining a functional currency, including assessing the underlying transactions, events and conditions which are relevant to an entity.

Impairment

The Directors apply significant judgment in assessing each of the Group's cash-generating units and assets for the existence of indicators of impairment at the reporting date. Internal and external factors are considered in assessing whether indicators of impairment are present that would necessitate impairment testing. The indicators of impairments and their assessment are set out in Note 11.

VAT receivables

Included within trade and other receivables is an amount approximately £1.8 million in Chilean VAT recoverable. Although the Chilean VAT is expected to be eligible for refund in future, due to the uncertainty over the timing of future production and revenues, which would trigger the Group's eligibility to recover that VAT, the Directors have made full provision against this same amount, as disclosed in note 12.

5. Administration expenses

Administration expenses in the year to 31 December 2023 totalled £5.7 million, of which approximately £1.8 million reflects non-cash items. More specifically, approximately £1.2 million reflects a provision made against VAT in Chile which CleanTech being able to recover once production starts (Note 12 provides further detail). In addition to the non-cash VAT provision, approximately £0.5 million has been recorded as a share-based payments for share options awarded to staff and contractors (further detail is set out in Note 14).

Of the £4.2million in cash costs, approximately £1.2 million relates to staff costs (2022: £1.1 million), £0.7 million relates to promotion, public and investor relations (2022: £0.3 million), approximately £0.6 million relates to travel (2022: £0.1 million), £0.8 million relates to legal and professional support (2022: £1.4 million), and approximately £0.5 million relates to listing and compliance and insurance costs(2022: £0.2 million), the balance of £0.4 million comprises a variety of other and general administrative costs (2022: £0.1 million).

Notes to the Financial Statements - continued

for the year ended 31 December 2023

6. Staff and Directors

	Audited Year ended 31 Dec 23	Audited Year ended 31 Dec 22
Average number of employees and long-term contractors	22	9
Directors	6	4
Total	**28**	**13**

During 2023 the Group's the average number of employees increased as operational requirements expanded, but notably was essentially unchanged from where the Group's number of employees (a number which includes longer-term consultants) was at the end of 2022.

During 2023, the Board also expanded following the appointment of two Non-Executive Directors; details of those appointments are set out in further detail in both the Strategic Report and Governance sections of this Annual Report.

Details of Directors remuneration are set out Directors' Remuneration section on **page 37**.

7. Income tax

The accrued income tax expense continues to be £nil as the Group remains in a loss-making position.

Income tax expense

	Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Current tax	-	-
Total current tax expense	-	-

Reconciliation of the tax expense

The standard rate of corporation tax in Jersey is nil % (2022: nil %) which differs from the tax rates in foreign jurisdictions as follows: Chile tax rate of 27% (2022: 27%); and U.K. tax rate of 19% (2022: 19%).

Notwithstanding the Group has cost centres in several tax jurisdiction, for tax reconciliation purposes, the Directors have decided to use the Chilean corporate tax rate as most appropriate given the operations and future production of the Group is located in Chile.

	Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Loss before taxation	(5,885,600)	(3,800,537)
Tax at the aggregated applicable tax rate of 27% (2022: 27%)	2,561,166	1,720,384
Expenses not deductible for tax purposes	(1,331,581)	(951,012)
Losses carried forward on which no deferred tax is recognised	(1,229,585)	(769,372)
Total current tax expense	-	-

Not all losses incurred are allowable for taxation purposes. At 31 December 2023, the Group had £ 3,469,383 of accumulated tax losses (2022: £ 2,239,798). An indefinite carry-forward of net operating losses is permitted under Chilean tax rules. Losses mainly relate to those incurred by the Chilean entities, which are not expected to be transferrable to UK or JE jurisdictions.

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

8. Loss per share

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

Diluted loss per share assumes conversion of all potentially dilutive Ordinary Shares arising from the share options schemes and warrant instruments detailed in Note 14. Potential ordinary shares resulting from the exercise of warrants, and options have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

Notes to the Financial Statements - continued

for the year ended 31 December 2023

Basic and diluted loss per share

	Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Loss after taxation	(5,885,600)	(3,800,537)
Basic weighted average number of ordinary shares (millions)	109.74	78.56
Basic loss per share (GBP £)	(0.054)	(0.048)

9. Segmental information

The Group operates in a single business segment, being the exploration and evaluation of mineral properties. These activities are undertaken in Chile, alongside administrative operations in the U.K., Jersey and formerly in Australia.

31 December 2023

	Chile £	Rest of world £	Total £
Exploration and evaluation assets	13,710,413	-	13,710,413
Non-current assets	13,710,413	-	13,710,413
Trade and other receivables	484,252	126,646	610,898
Related party and intra-group receivables	94,826	(94,826)	-
Cash and cash equivalents	48,609	6,153,419	6,202,028
Current assets	627,687	6,185,239	6,812,926
Trade and other payables	(230,439)	(121,198)	(351,637)
Related party and intra-group payables	(14,094,942)	14,094,942	-
Provisions and accruals	(166,411)	(212,302)	(378,713)
Current liabilities	(14,491,792)	13,761,442	(730,350)
Net assets	**(153,692)**	**19,946,681**	**19,792,989**

31 December 2022

	Chile £	Rest of world £	Total £
Exploration and evaluation assets	5,317,412	-	**5,317,412**
Non-current assets	5,317,412	-	**5,317,412**
Trade and other receivables	186,273	92,066	**278,339**
Related party and intra-group receivables	102,985	(102,985)	-
Cash and cash equivalents	174,311	12,193,954	**12,368,265**
Current assets	463,569	12,183,035	**12,646,604**
Trade and other payables	(369,756)	(70,582)	**(440,338)**
Related party and intra-group payables	(510,767)	510,767	-
Provisions and accruals	(115,609)	(77,799)	**(193,408)**
Current liabilities	(996,132)	362,386	**(633,746)**
Net assets	**4,784,849**	**12,545,421**	**17,330,270**

10. Wind up of Australian entities

On 25 March 2022 the Australian Entities were wound-up and formally deregistered. There has been no net change to the overall economic substance of the Group, nor had there been a change to the ultimate beneficial owners of the Group arising from the corporate restructurings which ultimately led to the deregistrations of the Australian entities.

11. Exploration and evaluation assets

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

Exploration and evaluation assets	Audited Year ended 31 Dec 23 £	Audited Year ended 31 Dec 22 £
Opening balance	5,317,412	765,115
Additions	9,383,902	4,316,747
Effect of foreign exchange translations	(990,901)	235,550
Closing balance	**13,710,413**	**5,317,412**

Notes to the Financial Statements - continued

for the year ended 31 December 2023

Of the additions, approximately £0.5 million is non-cash in nature, which reflects the accounting adjustment for share-based payments made to staff and contractors, about which further detail is set out in Note 14.

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 2023, 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. Consequently, the Directors do not consider there is any indication of impairment.

In 2024, the DLE pilot plant was commissioned, consequently the Directors will consider whether expenditure relating to the DLE pilot plant should be reclassified as tangible assets in 2024. However, at 31 December 2023, expenditure related to DLE had been classified as intangible pending confirmation as to its technical and commercial feasibility.

12. Trade and other receivables

Trade and other receivables	Audited As at 31 Dec 23 £	Audited As at 31 Dec 22 £
Prepayments and deposits	570,936	194,712
VAT	13,385	4,988
Other receivables	26,577	78,639
Total	**610,898**	**278,339**

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

Although VAT shows a balance of approximately £13,000 at 31 December 2023, at that date approximately £1.8 million in Chilean VAT recoverable is not shown in the table above. Although the Chilean VAT is expected to be eligible for refund in future, due to the uncertainty over the timing of future production and revenues, which would trigger the Group's eligibility to recover that VAT, the Directors have made full provision against this same amount. Accordingly, approximately £1.2 million provision has been reflected in the income statement for the year ended 31 December 2023 (£0.6 million in 2022).

Other receivables comprise multiple smaller working capital balances.

13. Share capital

Share capital	Number of shares	£
At 1 January 2022	2	0.02
Share for share exchange CTL Ltd	60,366,573	5,051,201
Cash received for shares held in creditors	-	194,917
Fundraise shares issued	44,766,925	17,867,122
Commissions on fundraise shares issued	-	(1,047,970)
Warrant shares fair value adjustment	-	(989,115)
Equity settled transactions	200,000	-
At 31 December 2022	**26,310,625**	**21,076,155**

Notes to the Financial Statements - continued

for the year ended 31 December 2023

Share capital	Number of shares	£
At 1 January 2023	105,333,500	21,076,155
Share options exercised	1,100,000	396,000
Fundraise shares issued	38,728,826	8,520,341
Commissions on fundraise shares issued	-	(607,104)
Warrant shares fair value adjustment	-	(3,074,767)
At 31 December 2023	**145,162,326**	**26,310,625**

In 2022, CTL Plc completed its formal acquisition of the Underlying Group through a share-for-share agreement with the shareholders of CTL Ltd. In addition, shares were issued by CTL Plc as a part of the IPO placing, and as a part of the placing which completed in November 2022. Of the share capital raised, approximately £1.0 million was offset by fundraising commissions.

In 2023, approximately £0.4 million was raised through the exercise of share options from a previous employee (see Note 14). In addition, CTL Plc completed a fundraise of approximately £8.5 million, which included £0.1 million of non-cash settled share based payments, and of which approximately £0.6 million was offset by fundraising commissions.

14. Shared based payments

During the year ended 31 December 2023, share options have been granted to certain Directors, staff and suppliers.

In addition, during the year, 1,100,000 share options were exercised by a former employee at an exercise price of 36p per share, giving rise to a £396,000 cash inflow to the Company.

	Year ended 31 Dec 23 #	Year ended 31 Dec 22 #
Outstanding at start of the year	10,984,745	-
Share options granted	3,283,000	6,670,000
Warrant shares granted	21,876,005	4,314,745
Share options exercised	(1,100,000)	-
Share options revoked or forfeited	(681,000)	-
Outstanding at end of the year	**34,362,750**	**10,984,745**

All warrants have vested, the outstanding share options have various vesting conditions, some of which have vested, others which have not.

		Audited Year ended 31 Dec 23 #	Audited Year ended 31 Dec 22 #
IPO share options	vested	2,900,000	2,900,000
Performance related options	Milestone 1 (see note below: M1)	1,238,334	1,103,667
Performance related options	Milestone 2 (see note below: M2)	1,418,334	1,103,667
Performance related options	Milestone 3 (see note below: M3)	1,418,332	1,103,666
Non-Executive Director Options	Time (see note below: time)	697,000	595,000
Other contractor options	Fully vested nil-cost options	500,000	-
Share options outstanding at end of the year		**8,172,000**	**6,670,000**

Notes on vesting conditions

M1 This vesting condition is met when the Board publishing a JORC 'measured and indicated' resource total of 1m tonnes (or more) of Lithium Carbonate Equivalent; this condition was met during the 2023

M2 This vesting condition is met when the Board agrees to the publication of a Pre-Feasibility Study (PFS)

M3 This vesting condition is met when proposed pilot plant testing process has met its objectives to produce sufficient battery grade lithium carbonate and/or lithium hydroxide to enable the Company to supply material for offtake customer testing and to provide process design data for the Definitive Feasibility Study (DFS)

Time Refers to annual anniversary time vesting points

All options and warrants are granted in the Company's name. Share options granted have a weighted average exercise price of 47 pence and warrants granted have a weighted average exercise price of 33 pence.

The accounting standards and CTL's accounting policies provide that the cost of issuing equity instruments (warrants or share options) is measured at its fair value. In the case of share options, fair values are charged to the income statement or the exploration asset, with a corresponding increase in equity. The fair value of share options is measured at grant date, using a Black-Scholes pricing model and spread over the period during which the employee becomes unconditionally entitled to the award (the vesting period). The charge is adjusted to reflect the expected number of shares or options that vest. The fair value of each option granted in the period was estimated using the Black Scholes option pricing model with the following assumptions:

Notes to the Financial Statements - continued

for the year ended 31 December 2023

	Share options
Fair value of call option per share	£0.12 – 0.38
Share price at grant dates	£0.39 – 0.55
Exercise price	£0.01 – 0.57
Expected volatility	116%
Vesting period	4.7 - 5.0 years from vesting
Risk-free interest rate (based on government bonds)	4.16%

The fair value of warrants is also measured at grant date, using a Monte Carlo simulation where vesting dates depend on performance related criteria, or using the Black-Scholes pricing model where more appropriate. As with the treatment of share options, the fair value is spread over the period during which the warrant holder has entitlement to the award. The charge is adjusted to reflect the number of warrants that vest. In the case of warrants, fair values are charged to an equity reserve.

The total share option fair value charge for year ended 31 December 2023 is £1,060,152 (£588,713 in 2022), of which approximately £528,000 has been recorded in the income statement as a non-cash employee expense; the balance has been recorded within E&E. The total warrant fair value charge for year ended 31 December 2023 is approximately £3,074,000 (2022: £989,114).

All of the warrants granted during the year vested on or shortly after the grant date. The warrants which were awarded to subscribers of the two-tranche placing and open offer which was approved by shareholders and completed on 14 December 2023 have a vesting date of 14 December 2024 and expire on the second annual anniversary. Broker warrants issued as a part of the two-tranche placing during the period had a vesting date of 15 December 2024 and expire on 15 December 2028.

As noted, these fair value estimates are non-cash accounting entries.

15. Contingent liabilities

Laguna Verde Option Agreement

At 31 December 2023, the Group held 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 granted Atacama Salt Lake SpA (Atacama), a wholly owned subsidiary of the Company, 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 was required to make payments to the vendors comprising: (i) a fixed price of US$334,000 (of which US$204,000 had been paid as at 30 June 2023, 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 was 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 was USD $3.5 million. Atacama could discard the option to purchase the relevant Laguna Verde properties and in the event of such a decision no further payments would be due.

Subsequent to the year end, the Company announced the buy-out of the LV Option Agreement which superseded the above arrangements. This buy-out formalises CleanTech's legal ownership of the mining concessions in the Laguna Verde asset, details of which are set out in Note 21.;

16. Payables, provisions and accruals

	Year ended 31 Dec 23 £	Year ended 31 Dec 22 £
Trade and other payable	(291,369)	(321,476)
Provisions	(106,451)	(86,007)
Other taxes and social security	(59,027)	(118,862)
Accruals	(272,262)	(107,401)
Total	**(730,350)**	**(633,746)**

Trade and other payables include routine trade creditors.

The provisions balance largely reflects the provision for taxes associated on the expenses classified as Director fees for Mr Boitano. Prior to 2021, Mr. Boitano provided ad hoc financing support to the Group to fund working capital and exploration and evaluation expenditure. Related party transactions involving Mr. Boitano comprised settlements of liabilities on behalf of the Group or on behalf of Mr. Boitano and transfers by Mr. Boitano to or from the Group under informal finance arrangements. No such funding arrangements were made between the Group and Mr. Boitano after 2020. In historical periods, net amounts owing to the Group were waived and expensed to the Income Statement and totalled approximately £33,000 in 2020. These amounts were classified as Director fees and a provision for taxes relating to same was made. Any amounts advanced by or to Mr. Boitano were deemed repayable on demand and did not carry an interest rate.

Other taxes and social security balances largely relate people-related costs and taxes balances at the period end.

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

17. Other reserves

Foreign exchange reserve

The foreign exchange reserve represents the differences arising on the translation of transactions from the functional currencies.

Accumulated losses

The accumulated losses represent the consolidated losses of the Group. Movements during the year represent the consolidated comprehensive loss for that year.

18. 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.

19. Related party transactions

At the year end, Company had one receivable owing from one of the directors totalling approximately GBP £18,000 which has been fully repaid in January 2024. There were no related party transactions during the year other than transactions with Directors as disclosed in the Directors remuneration section of the report on **page 37**. In addition, during the year, one month’s fees for one of the directors was settled in shares. In 2022, the Company procured professional photographs of the Board for publication purposes from a related party of one of the Directors. The transaction had a value of £750 and was paid in full in 2022.

20. Subsidiary undertakings

At 31 December 2023, 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
Llamara SpA	Chile	Wholly owned by CleanTech Lithium Ltd

CleanTech Lithium Ltd acts as holding company (for the Chilean entities) and management service provider to the Group. CLS Chile SpA primarily acts as service provider to the other Chilean entities, which are themselves are asset and mining licence companies.

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. 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

21. Subsequent events

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

On 12 April 2024, the Company announced it had accepted the resignation of Aldo Boitano as CEO and director of the Company with immediate effect. This announcement followed his suspension after he failed to disclose entered into a loan agreement with a financial institution, under which he agreed to provide security over ordinary shares which he had held in his name. Steve Kesler will continue as CEO on an interim basis to ensure no impact on the Company's ongoing activities. To ensure continuity, Steve Kesler, as Executive Chairman has been working closely with Mr Boitano and is well placed to ensure ongoing continuity and progress.

On 22 April 2024 the Company announced it had completed the planned acquisition of the 23 Laguna Verde licences previously subject to an option agreement resulting in the Company securing full ownership, as well as control, of the full 108 mining licences comprising the Laguna Verde project.

Also on 22 April 2024, the Company announced it issued convertible loan notes to raise gross proceeds of £1 million for the Company on what the Directors believe are advantageous terms.

On 8 May 2024 the Company announced that, as far as it can determine, Mr Boitano has ceased to hold a beneficial interest in shares in the Company.

On 14 May 2024 the Company announced that the DLE pilot plant had produced high quality eluate with low impurities. DLE primarily acts as a purification stage, recovering lithium chloride from the brine whilst rejecting other impurities. The pilot plant in Copiapó has demonstrated that it can operate at the designed capacity of concentrated eluate production sufficient for conversion to 1 tonne per month of battery grade lithium carbonate. This places CleanTech Lithium at the forefront of exploration companies in Chile and the wider sector, in its ability to make available large samples of lithium carbonate product to potential strategic and offtake partners seeking to start product qualification.

Glossary

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
SBP	Share based payments
SPA	Sale & Purchase Agreement

Directors and Advisors

Directors

Steve Kesler - Executive Chairman and Interim CEO
Gordon Stein - Chief Financial Officer
Jonathan Morley-Kirk - Senior Independent Non-Executive Director
Maha Daoudi - Independent Non-Executive Director
Tommy McKeith - Independent Non-Executive Director

Registered Office

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Joint Broker

Canaccord Genuity Ltd, 88 Wood Street, London, EC2V 7QR, United Kingdom

Registrar

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Auditor

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