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CleanTech Lithium

Energy and resources

16 April 2026

Next-generation sustainable lithium producer

CleanTech Lithium (CTL) is positioned for a transformational step-change following the agreement of a 40-year special lithium operating contract (CEOL) and the completion of a robust pre-feasibility study (PFS) for its flagship Laguna Verde project. These milestones significantly de-risk the project's regulatory pathway and demonstrate compelling economics for a low-cost operation targeting 15,000tpa of battery-grade lithium carbonate. With a clear path to production and a strategic partner selection process underway, CTL is well positioned to become a sustainable lithium producer in the Atacama region.

Laguna Verde PFS: Robust economics

The independent PFS, released on 31 March 2026, confirms the project's strong technical potential and favourable economics over a 25-year mine life. Based on a long-term lithium carbonate price of US$22,500/t, the study features a post-tax NPV (8%) of US$959m and an internal rate of return (IRR) of 21%. Total initial capex is estimated at US$748m, resulting in a capital intensity of US$49,900/t, which compares favourably to global direct lithium extraction (DLE) developments. Targeting 15,000tpa of production, estimated operating costs of US$5,768/t place Laguna Verde in the lowest cost quartile of the industry.

Transformational 40-year licence secured

In a significant de-risking event, on 10 March CTL announced that it had agreed to the contractual terms of a 40-year CEOL with the Chilean government. The contract covers 153km^2 and encompasses all project phases, including exploration, construction, production and closure. State participation is limited to royalties (c 6% at US$22,500/t LCE) and tax (c 15%), with no direct ownership. Importantly, the project design excludes the lake's surface resource to minimise the environmental footprint and to address any concerns from indigenous communities. This agreement provides long-term visibility and aligns the project with Chile's National Lithium Strategy, significantly accelerating the path toward environmental permitting, which is the next critical step along with the bankable feasibility study (BFS).

Valuation: Not reflecting positive newsflow

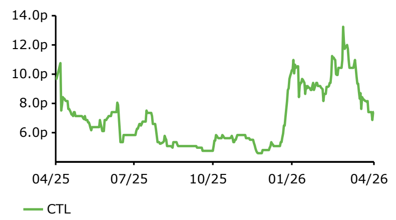
The CTL share price showed encouraging signs of recovery at the beginning of the year on the back of the rebound in lithium prices. However, despite the positive newsflow this price action was short-lived, and the shares are currently down c 40% from their recent peak. With a market cap of just £15m, CTL appears to be on the right track to further advance the Laguna Verde project towards production, with key upcoming catalysts including the ASX dual-listing, environmental permitting, strategic partner selection and the BFS.

Historical financial summary				
Year end	Revenue (£m)	PBT (£m)	EPS (£)	P/E (x)
12/23	0.0	5.9	(0.11)	N/A
12/24	0.0	7.2	(0.08)	N/A

Source: LSEG Data & Analytics

Price	**7.75p**
Market cap	**£16m**

Share price performance



Share details

Code	CTL
Listing	LSE
Shares in issue	204.2m
Net cash/(debt) at 30 June 2025	£(2.1)m

Business description

CleanTech Lithium (AIM: CTL) is a Chile-focused exploration and development company advancing three lithium projects: the flagship Laguna Verde, Viento Andino and Arenas Blancas. Listed on AIM in March 2022, the company is backed by major shareholders Athos (22.3%) and Regal Funds (7.8%). CTL is committed to the 'green lithium' transition, utilising DLE technology to produce battery-grade lithium carbonate with minimal environmental footprint.

Bull points

- Robust economics: compelling post-tax NPV and IRR with a 25-year mine life.
- Landmark 40-year CEOL offers strategic security.
- Tier 1 operating costs in the lowest global quartile.

Bear points

- Price sensitivity: project economics are highly leveraged to lithium price fluctuations.
- Permitting: EIA remains a critical path regulatory requirement.
- Funding: significant initial capex requires securing a large-scale strategic partner.

Analyst

Andrey Litvin +44 (0)20 3077 5700

energyandresources@edisongroup.com

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Laguna Verde PFS overview

Optimised dual-site project configuration

The PFS defines a dual-site configuration designed to leverage existing regional industrial capacity while minimising the environmental impact at high altitude. The Laguna Verde Site hosts the wellfield and a lithium chloride (LiCl) production facility utilising DLE and concentration technologies to produce a transportable solution containing approximately 5.9% lithium. This concentrated eluate will be transported by truck to the Copiapó site, where a downstream plant will handle conversion to 15,000tpa of battery-grade lithium carbonate. Locating the carbonation facility in a regional mining hub provides access to superior logistics and a skilled labour pool, with 70% of the operational workforce based at this site.

Advanced extraction technology and resource recovery

CTL will utilise a commercially proven alumina-based adsorbent DLE technology from Lanshen (Li-201), which achieved a 90% lithium recovery rate in semi-industrial pilot trials. Compared to traditional solar evaporation, the DLE-plus-reinjection model enables faster production cycles and higher global lithium recoveries of 85.5%. The process flowsheet is engineered for high efficiency, targeting a 98.4% internal water recovery through a sequential membrane train including nanofiltration, reverse osmosis and electrodialysis, followed by mechanical vapour recompression. The process eliminates the need for large evaporation ponds by reinjecting spent brine back into the aquifer, ensuring high water recovery and minimal net depletion.

Mineral reserves and resources

The PFS establishes the project's first JORC compliant reserves, derived from the mineral resource estimate completed on 30 October 2025:

- **Probable reserves**: 378kt of lithium carbonate equivalent (LCE) at an average grade of 186mg/L, supporting the 25-year mine life.
- **Mineral resources**: total measured, indicated and inferred resources, inclusive of reserves, are estimated at 1.9mt LCE at 174mg/L.
- **Strategic lake exclusion**: to address community requirements, the design specifically excludes the lake's surface brine resource from the production plan to preserve the visible salar surface. Accordingly, all production well locations were selected to remain outside the lake exclusion zone.

Wellfield engineering and water management

Brine extraction is supported by a 36-well vertical wellfield designed to a depth of approximately 400m, with production wells spaced 400m apart. Locations were selected to remain within measured and indicated resource zones, to fall within the CEOL polygon (outside the lake exclusion zone) and to occupy CTL's preferential licences. The reinjection strategy is specifically designed to maintain the basin's hydraulic pressure, preventing the drawdown of shallow freshwater aquifers. Well selection was further supported by aquifer testing, notably at wells LV05 and LV06 where pumping tests demonstrated flow rates of up to 16L/s.

Well screens are set between 200m and 400m depth to target permeable volcanic units while limiting dilution from shallow freshwater or reinjected brine. The system is designed for a steady-state brine feed rate of ~568L/s by Year 2. Freshwater consumption at the salar site is estimated at 5.6L/s, whereas the Copiapó plant operates as a closed loop with 100% internal recirculation. Securing water rights and freshwater permitting remain critical path items for project development.

Infrastructure, ESG and social licence

Electrical supply for the salar site is planned via a 130km transmission line under a build-own-operate-transfer (BOOT) model, targeting 100% renewable energy from Chile's national grid. The project area is bisected by a paved international highway, facilitating reagent transport and export via Angamos Port. Water management focuses on internal recovery via reverse osmosis and mechanical vapour recompression. CTL has established a formal partnership with local indigenous communities to co-design the project's environmental impact assessment, ensuring traditional ecological knowledge is integrated into the technical design ahead of a targeted 2026–2027 submission window.

Project economics: Rapid payback

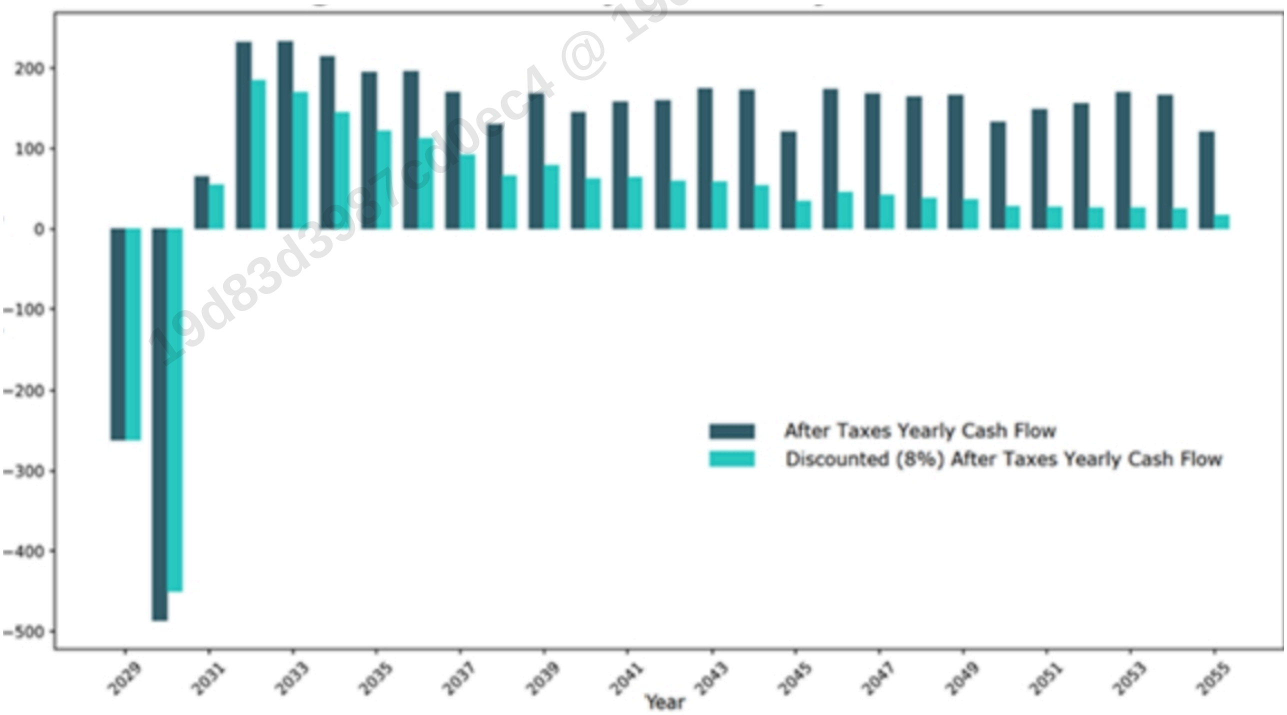
The Laguna Verde PFS outlines compelling economics that place the project in the lowest cost quartile of the global lithium industry. Based on a long-term lithium carbonate price of US$22,500/t, the study demonstrates a pre-tax NPV (8%) of US$1.37bn (US$1.0bn at 10%) and a pre-tax IRR of 24.2%. On a post-tax basis, the NPV (8%) stands at US $959m (US$699m at 10%) with an IRR of 21.2%. The project targets steady-state production of 15,000tpa of battery-grade lithium carbonate over a 25-year mine life. Initial capital expenditure is estimated at US$748m, which includes a 21% contingency, resulting in a competitive capital intensity of approximately US$49,900/t. Direct cash operating costs are projected at US$5,768/t, while the project boasts a rapid payback period of four years from the start of production.

Exhibit 1: Laguna Verde summary project economics

Life of mine, years	25
Annual lithium carbonate production, tpa	15,000
Direct cash opex, US$/t	5,768
Total pre-production capex, including contingency, US$m	748
Long-term lithium price, US$/t	22,500
Steady-state annual revenue, US$m	338
After-tax NPV at 8%, US$bn	1.0
After-tax IRR, %	21.2
Pre-tax NPV at 8%, US$bn	1.4
Pre-tax IRR, %	24.2

Source: CleanTech Lithium

Exhibit 2: Laguna Verde projected annual cash flow, US$m



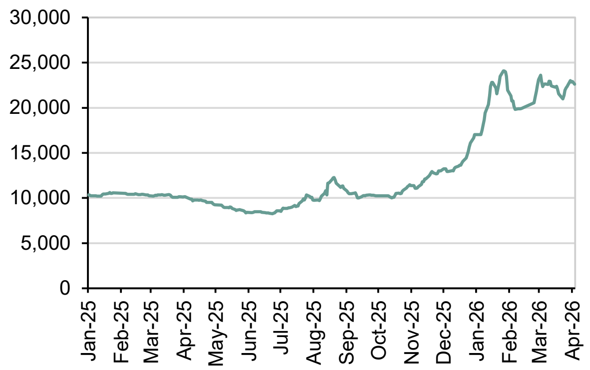
Source: CleanTech Lithium

Outlook and catalysts: Share price disconnect from fundamentals

As of June 2025, CTL had £143k in cash (£2.1m net debt, plus c £15m in deferred licence payments), subsequently supplemented by a £5.0m gross equity placement in August to fund the acquisition of 30 additional licence blocks (7,500 hectares) essential for the CEOL polygon and to finalise the PFS. A recent VAT recovery in Chile of c £1.0m further supports near-term liquidity, alongside any potential small-scale equity placements and the upcoming ASX dual-listing. These funds should enable the company to further progress project permitting and technical studies.

With the PFS complete, the formal strategic partner selection process aims to attract investment from battery manufacturers or OEMs to fund longer-term project development through to the final investment decision. Additional important catalysts include final CEOL ratification (expected Q226), the ASX dual-listing and the initiation of the BFS. In our view, given the current share price disconnect from positive newsflow and strengthening lithium prices, CTL represents an attractive investment proposition for investors seeking exposure to a gradually de-risked, sustainable lithium developer.

Exhibit 3: China lithium carbonate price, US$/t



Source: LSEG Data & Analytics

Exhibit 4: CTL share price, pence

Source: LSEG Data & Analytics

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20 Red Lion Street
London, WC1R 4PS
United Kingdom