CleanTech Lithium plc

Initiation Report – CTL LN

Mining
Lithium

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Highlights

Initiation coverage: Fox-Davies Capital is re-initiating coverage of Cleantech Lithium, CTL LN. We have updated our model based on the recently published pre-feasibility study and amended the risk factor in light of the recently agreed CEOL.

Target Price: We derive a target price of 22 pence based on a long-term lithium price of US$22,500; current pricing is US$28,500 today. After-tax NPV_8 would increase to US$1,456M from US$959M if calculated on the current spot price. At 7.5p, CTL trades at US$6.9/t EV/Resource (2.82 Mt LCE), representing a 98% discount to NPV_8 and a 75% discount to the peer median (US$27.3/t). This compares with recent LatAm brine M&A benchmarks such as Arizaro (US$43/t, December 2025), despite CTL now having both defined development economics and agreed CEOL terms.

Strategic Partner: The PFS and the CEOL allow the company to enter into detailed negotiations with potential partners. We are encouraged by recent M&A activity in the lithium sector, including the recent acquisition of Atlantic Lithium by Huayou, as evidence of the industry's requirement to secure long-term lithium supply. The process is ongoing and we expect strong interest with a partner to be in place by year end.

ASX Dual Listing – The ASX market continues to value LatAm DLE and brine projects at a significantly higher multiple than either the LSE or TSX. With the CEOL agreed and PFS in place the company has restarted the dual listing process. We believe this will lead to increased analyst coverage and assist in the rerating.

Rating: **Speculative BUY**

22 pence

*Fully diluted

Source Bloomberg

Key Data	
Market Cap:	£15.8M
52 W Price Range	5-18 pence
12M Avg Daily volume:	823,337
Shares out (M):	204.2
Fully Diluted (M)	407.7
Enterprise Value	£14.7

Key Shareholders	
Athos Capital	22.3%
Regal Partners	7.9%
Hargreave Lansdown	5.6%
Blueharbour Map I LP	3.6%
Interactive Investor Trading	3.5%

Source Bloomberg/ CTL Data

Investment Case

CleanTech Lithium (AIM: CTL) is a Chile-focused lithium brine developer approaching a key inflection point. The company has recently achieved two material milestones: agreement of a 40-year CEOL with the Chilean government (10 March 2026, subject to administrative ratification) and completion of a JORC (2012)-compliant PFS confirming after-tax NPV_8 of US$959M and IRR of 21.2%. The project is characterised by capex of US$748M (~US$49,900/t LCE), in line with global DLE peers, and operating costs of US$5,768/t, placing it within the lower end of the global cost curve.

Despite this progress, valuation remains disconnected from fundamentals. At 7.5p, CTL trades at US$6.9/t EV/Resource (2.82 Mt LCE), representing a 98% discount to NPV_8 and a 75% discount to the peer median (US$27.3/t). This compares with recent LatAm brine M&A benchmarks such as Arizaro (US$43/t, December 2025), despite CTL now having both defined development economics and agreed CEOL terms.

We initiate with a Speculative Buy and a 12-month target price of 22p (407.7M shares fully diluted), implying 165% upside. The base case assumes CEOL ratification (Q2 2026) and, critically, the announcement of a strategic partner (Q3 2026), which we view as the primary re-rating catalyst given its role in addressing funding requirements and validating project economics. Further upside is driven by a clear, sequential catalyst pathway. An ASX dual listing (H2 2026) provides a liquidity-driven uplift toward 24p, while continued de-risking through DFS progression supports a broader 18-month range of ~25–35p. Even at the upper end of this range (~US$46/t), CTL would remain below both the Arizaro M&A precedent and Argosy Minerals' pilot-production multiple (~US$87/t).

Downside appears increasingly bounded. At 80% of the base case lithium price, the project retains an after-tax NPV8 of ~US$546M (~20x current market capitalisation), underpinned by scale and a competitive cost position. The investment case is therefore defined by a clear re-rating pathway driven by execution and de-risking, rather than reliance on lithium price upside.

Executive Summary

CleanTech Lithium plc (AIM: CTL) is an AIM-listed Chilean lithium developer whose three major catalysts have converged simultaneously: a 40-year CEOL contractually agreed with the Chilean government on 10 March 2026, a full JORC (2012)-compliant Pre-Feasibility Study released today confirming robust project economics, and a formal strategic partner process launched under Cutfield Freeman & Co. We initiate coverage with a Speculative Buy recommendation and a 12-month target price of 22p, representing approximately 165% upside from the current price of 7.5 p.

The Laguna Verde project is Chile's most advanced private lithium brine development under the country's National Lithium Strategy. It carries a JORC (2012) resource of 1.9 million tonnes LCE and a newly defined Probable Reserve of 378,000 tonnes LCE supporting a 25-year mine plan. The PFS released in late March 2026, establishes an after-tax NPV_8 of US$959 million, a post-tax IRR of 21.2%, and a payback period of approximately four years from first production. Initial capital expenditure of US$748 million and OPEX of US$5,768/t place the project firmly in the lowest-cost quartile for the DLE sector globally.

The appointment of CEO Ignacio Mehech in April 2025 was a major win for the Company, formally country manager of Albemarle with extensive lithium experience and industry and ministerial contacts in Chile. In his first year, he has been pivotal in progressing the award of the CEOL, delivering the PFS and advancing the Company's progress on DLE and the commencement of the selection of the strategic partner.

CTL's pilot plant, commissioned in early 2024 and operated with brine from Laguna Verde, has confirmed 88.6% LiCl plant recovery and global recovery of 85.5%, with battery-grade purity of 99.78% independently verified by Dorfner Anzaplan in Germany. The DLE technology underpinning these results is Lanshen's alumina-based adsorption system, the most commercially deployed DLE adsorbent type globally and proven at commercial scale in China. The two-site structure, DLE extraction and concentration at the 4,300m Laguna Verde salar, carbonate conversion at Copiapó greatly reduces the high-altitude footprint and exploits Copiapó's skilled workforce, established infrastructure, and logistics connections to Puerto Angamos (Mejillones). It also provides the opportunity to scale carbonate conversion capacity for third-party feedstocks, including from Viento Andino, leveraging the same downstream plant across multiple assets

The CEOL is the legal foundation upon which all commercial value at Laguna Verde rests, and it is now secured. Under Chile's National Lithium Strategy, only one CEOL can be awarded per salar making it the most consequential single event in the project's history. CTL's agreement of terms with the Ministry of Mining on 10 March 2026 is the direct product of a multi-year programme to dominate the Laguna Verde polygon: the acquisition of 30 Minergy licences in August 2025 lifted CTL's polygon coverage above 97%, satisfying the government's eligibility threshold and positioning it as the only viable applicant under the CEOL award process.

The government had already demonstrated it was operationally executing its lithium strategy through two prior CEOL awards to Rio Tinto/ENAMI at Maricunga and Lithium Chile at Coipasa removing any residual policy execution uncertainty. Final ratification by the Comptroller General is expected in Q2 2026.

The new Kast administration, inaugurated mid-March 2026, has explicitly prioritised expedited permitting and pro-investment reform, providing a supportive policy backdrop for the remaining steps to construction.

At 7.5p and an implied EV/Resource of ~US$6.9/t, CTL trades at a ~75% discount to the peer median of ~US$27.3/t and at a fraction of recent M&A benchmarks, including Arizaro (~US$43/t, December 2025) and Millennial Lithium (~US$91/t, 2021). The PFS provides a clear valuation anchor of US$959M (NPV8) and marks the transition into the strategic partner process. We see re-rating to ~22p (fully diluted) as the base case over the next 12 months, contingent on CEOL ratification and, critically, a strategic partner announcement, which we view as independently transformative.

The 18-month scenario of ~25–35p is underpinned by a sequence of clearly defined catalysts, each with observable peer benchmarks. Administrative ratification of the CEOL (Q2 2026) establishes a conservative floor (~9.7p FD); this is followed by PFS recognition and market digestion (~15.2p FD). The strategic partner announcement (Q3 2026) represents the single largest re-rating step, removing financing risk and providing third-party validation of project economics, supporting a move to ~21.2p FD (~US$35/t). An ASX dual listing (H2 2026) provides a further liquidity-driven uplift to ~23.9p FD (~US$40/t), while commencement of DFS and continued de-risking supports progression toward ~26–35p.

Even at ~35p, CTL would trade at ~US$46/t, still below both the Arizaro M&A benchmark and Argosy Minerals' pilot-production multiple (~US$87/t).

Company Overview & Corporate Structure

CleanTech Lithium plc is a Jersey-incorporated, AIM-listed lithium developer focused on three wholly owned brine assets in Chile's Atacama region: the flagship Laguna Verde project, the secondary Viento Andino project, and the early-stage Arenas Blancas exploration position. The company's strategy is to advance Laguna Verde to production using Direct Lithium Extraction (DLE) technology under a 40-year CEOL, with Viento Andino leveraging the same downstream Copiapó infrastructure as a second production hub and Arenas Blancas providing longer-term optionality on the world's most prolific lithium basin.

CTL listed on AIM in March 2022 at an equivalent of 60 pence. The stock rose to an equivalent (pre-consolidation) of £1.80. The stock de-rated sharply in 2023–2024 alongside the broader lithium sector correction, reaching a 52-week low of 4.3p. It has since re-rated to 7.5p, driven by CEOL progress, recovering lithium prices, and today's PFS publication. Market capitalisation stands at £17.2M with 204.2M basic shares/ 407.7M Fully Diluted. Near-term balance sheet management centres on the convertible loan notes maturing in June 2026, which the company will need to refinance or repay (included in our FD numbers), a task made considerably more tractable by the CEOL agreement and PFS publication improving the fundraising backdrop.

Figure 1: CleanTech Lithium's Atacama Region project portfolio, located within the Lithium Triangle is home to approximately 60% of the world's known lithium reserves.

Board & Management

CTL's leadership underwent significant renewal in 2025, assembling a team that has delivered on its primary objectives: the CEOL terms agreed with the Chilean government in March 2026 and the PFS published in late March 2026. With both milestones now achieved, the board and management are well-positioned to lead the next phase of strategic partner selection, EIA progression, and advancement to Definitive Feasibility Study.

Ignacio Mehech — Chief Executive Officer (from April 2025)
Formerly Country Manager for Albemarle Chile, the world's largest lithium producer, where he managed a workforce of 1,100 employees and oversaw operations, government relations, and indigenous stakeholder engagement at the highest level of Chile's lithium industry. His appointment in April 2025 was the single most consequential management decision in CTL's history. A Chilean national, bilingual in Spanish and English, Mehech brought direct relationships with CORFO, the Ministry of Mining, and indigenous community leaders that no other junior developer in Chile can replicate. The successful conclusion of CEOL terms with the Chilean government in March 2026 is in material part a product of his tenure

Steve Kesler — Independent Non-Executive Chairman
A highly experienced mining executive and board leader, Steve Kesler brings rare operational credibility to the chairman role. He served as the first CEO of Collahuasi, one of the world's largest copper operations, and as VP at Escondida during its growth to over 1Mtpa of copper production, both major Chilean mining projects, giving him direct in-country relationships of direct relevance to CTL. He subsequently served as CEO of ASX-listed European Lithium and held senior roles at Rio Tinto and BHP Billiton. He holds a PhD in Mineral Technology. As Chairman since CTL's AIM listing, Kesler has overseen the strategic renewal of the board and management team during 2025, including the appointment of CEO Mehech and plays a central role in external stakeholder engagement with institutional investors and Chilean policymakers.

Paul Atherton — Independent Non-Executive Director & Audit Chair (from October 2025)
Paul Atherton brings an unusual combination of technical and financial expertise to the board. A geology graduate from Imperial College London, he qualified as a Chartered Accountant with Deloitte before moving into the resources sector, where he served successively as CFO and then CEO of Heritage Oil, a former FTSE 250 energy company. That progression from geologist to senior finance executive to chief executive of a listed resources company gives him a rare breadth of perspective across technical, governance, and capital markets disciplines. His experience structuring and executing financing for large-scale resource projects is directly relevant as CTL advances toward strategic partner selection and project-level debt financing. He chairs the Audit and Risk Committee.

Todd Ross — Independent Non-Executive Director (from April 2026)
Todd Ross is an Australian resident director with an extensive background in investment banking and project finance, having served as Managing Director, Head of Western Australia and Head of Metals and Mining at BNP Paribas. During his more than 20-year banking career, Mr Ross played a key role in the development of BNP Paribas' position as a leading financier in the Australian lithium sector contributing to a number of major lithium mining project financings between 2016 and 2022 including a major transaction involving Pilbara Minerals.

Gordon Stein — Non-Board CFO Consultant (to June 2026)
A Chartered Accountant with over 30 years of experience across energy, natural resources, and other sectors, Stein has served as CFO of six LSE-listed companies over the past 20 years, giving him deep familiarity with AIM market obligations, investor relations, and capital structure management. He stepped down as a Board director on 11 August 2025 but was retained under a consulting agreement initially to end-June 2026, a continuity-positive decision that preserves his institutional knowledge of CTL's balance sheet, CLN structure, and investor relationships through the critical CEOL and PFS period. In this capacity he is leading the engagement with Cutfield Freeman & Co on the strategic partner identification and financing process and on the ASX dual-listing process. The appointment of a permanent CFO with AIM and/or ASX and mining project finance experience remains the key outstanding governance item as the company transitions into the development financing phase.

Project Portfolio

Laguna Verde — Flagship Asset

Laguna Verde is CTL's primary development asset, located approximately 265km east of Copiapó in the Atacama Region at an elevation exceeding 4,300 metres above sea level. The project sits within a large endorheic basin anchored by the Laguna Verde hypersaline lagoon, a geological setting that is optimal for lithium brine accumulation. Route 31, a paved international highway connecting Copiapó to Argentina, runs within 200 metres of the laguna, providing year-round access and significantly reducing logistics infrastructure requirements relative to more remote salars.

Brine chemistry is characterised by lithium concentrations ranging from approximately 174 mg/L on a resource-weighted average basis to 246 mg/L at surface, both fully amenable to DLE processing. The aquifer is predominantly hosted in permeable volcanic tuff units at 150–400m depth, with high transmissivity zones adjacent to the lagoon supporting strong, predictable well yields. Multiple drilling campaigns since 2021 have delineated the extent of the brine system, and pump tests confirm sustainable commercial-scale well yields sufficient to support the 25-year mine plan.

Figure 2: View from drill site (LV01) over Laguna Verde

The geology is fundamentally well-suited to DLE: the brine is lithium-rich and dissolved entirely in solution which is ideal for adsorption-based extraction, with minimal evaporite development, reducing scaling risk, high permeability enables efficient well-based recovery, and the closed basin geometry minimises freshwater dilution. Laguna Verde's brine chemistry with relatively low levels of impurities such as sulphate and calcium compared to many volcanic-hosted deposits simplifies impurity removal in the DLE processing circuit and supports the high selectivity and recovery rates demonstrated at pilot scale

Viento Andino — Secondary Asset

Viento Andino is CTL's secondary development asset, located approximately 100km south of Laguna Verde within the same Atacama Region, covering a 127km² licence area. The project shares the same fundamental hydrogeological characteristics as Laguna Verde with a closed endorheic basin with a volcanic-hosted brine aquifer and benefits from established year-round road access and proximity to existing grid infrastructure, with a substation at the Maricunga mine approximately 10km away.

The JORC resource, estimated in August 2023, totals 0.92 Mt LCE at an average grade of 207 mg/L (0.44 Mt Indicated, 0.48 Mt Inferred). Six wells have been drilled to date, and the basin remains incompletely tested with additional drilling is expected to extend the resource boundary and upgrade confidence, with three further drillholes specifically recommended to improve M+I classification and obtain porosity data.

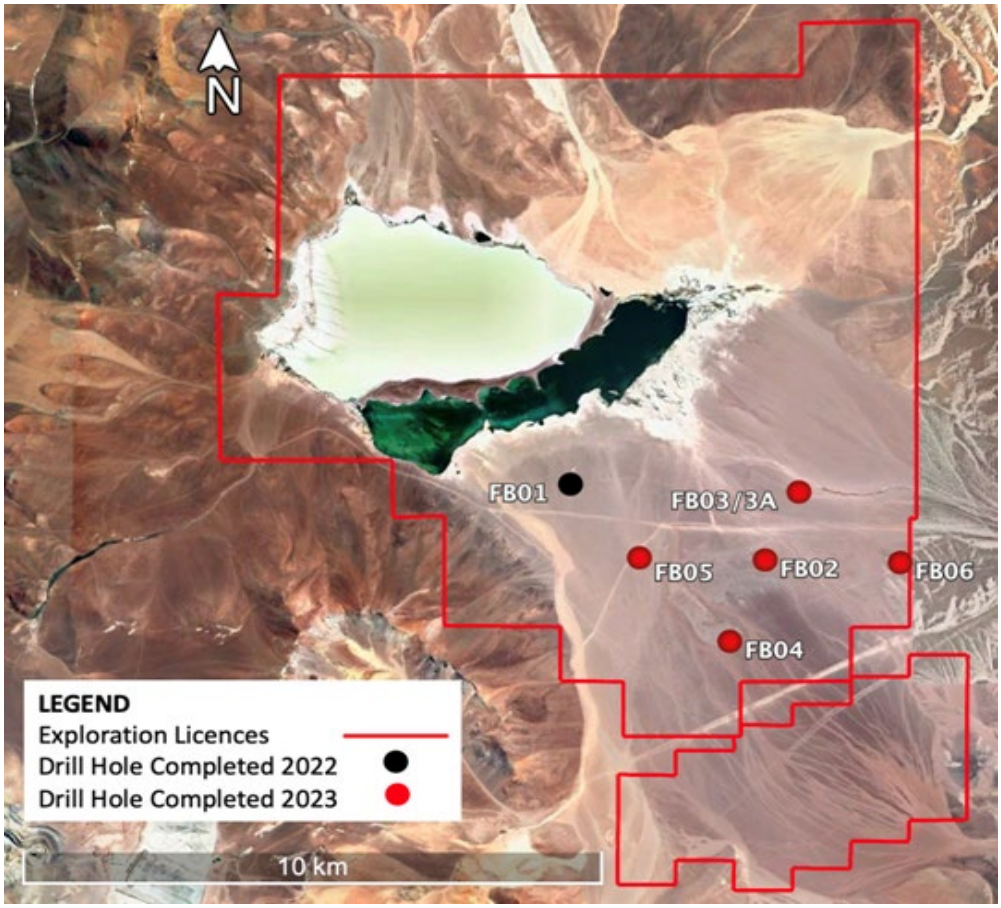

Figure 3: Viento Andino remains underexplored, with only six wells drilled to date and substantial upside potential from further drilling.

A September 2023 Scoping Study outlined a 20 ktpa LCE operation with post-tax NPV8 of approximately US$1.1bn and an IRR of approximately 43.5% (at US$22,500/t, per the company's Information Memorandum, March 2026), with capex of approximately US$450M — benefiting from shared Copiapó carbonation infrastructure which materially reduces incremental capital versus a standalone project. These are Scoping Study-level estimates only and will require PFS-grade work before being relied upon for investment purposes.

The strategic significance of Viento Andino lies in its infrastructure synergy with Laguna Verde. Both projects are expected to share the Copiapó lithium carbonate conversion plant, meaning the incremental capital required for Viento Andino is substantially lower than a comparable standalone project. The combined resource base of 2.82 Mt LCE across the two assets presents a multi-decade, scalable Chilean lithium platform; a compelling proposition for any strategic partner evaluating long-term battery-grade supply. Development remains appropriately secondary to Laguna Verde and the CEOL process, but Viento Andino materially enhances the overall investment case and the attractiveness of the CF&Co partner process.

Arenas Blancas — Exploration Stage

Arenas Blancas is CTL's early-stage exploration position, covering a 200km² licence area on the periphery of the Salar de Atacama, the world's most productive lithium basin, responsible for approximately 25–30% of global battery-grade lithium supply and host to the world's largest known lithium reserves of approximately 9.3 million tonnes. The location is significant: proximity to the Atacama Salar provides geological context for the prospectivity of CTL's licence area, while the peripheral position outside the core strategic reserve boundary defines the regulatory pathway available to the company.

The technical case is compelling, albeit at an early stage. Geophysical surveys indicate that the highly lithium-enriched subsurface aquifer characteristic of the Atacama basin extends into CTL's licence area. A well drilled by a third party less than 2km from CTL's western licence blocks averaged 2,100 mg/L Li, approximately twelve times the average Laguna Verde resource grade and among the highest brine grades recorded anywhere in Chile. A technical work programme is planned, subject to community consultation, to assess the extent and continuity of this brine system beneath CTL's licence area.

The regulatory framework governing much of It has yet to be confirmed if Arenas Blancas will come under this requirement to work through such a joint venture the Salar de Atacama requires that any commercial lithium development be conducted through a joint venture with a minimum 51% stake held by a Chilean state entity which will be either CODELCO or ENAMI under Chile's National Lithium Strategy. Arenas Blancas is attributed nil value in all valuation scenarios and is not included in any financial modelling. It represents unmodelled, long-duration optionality on the world's most prolific lithium basin which could prove significant.

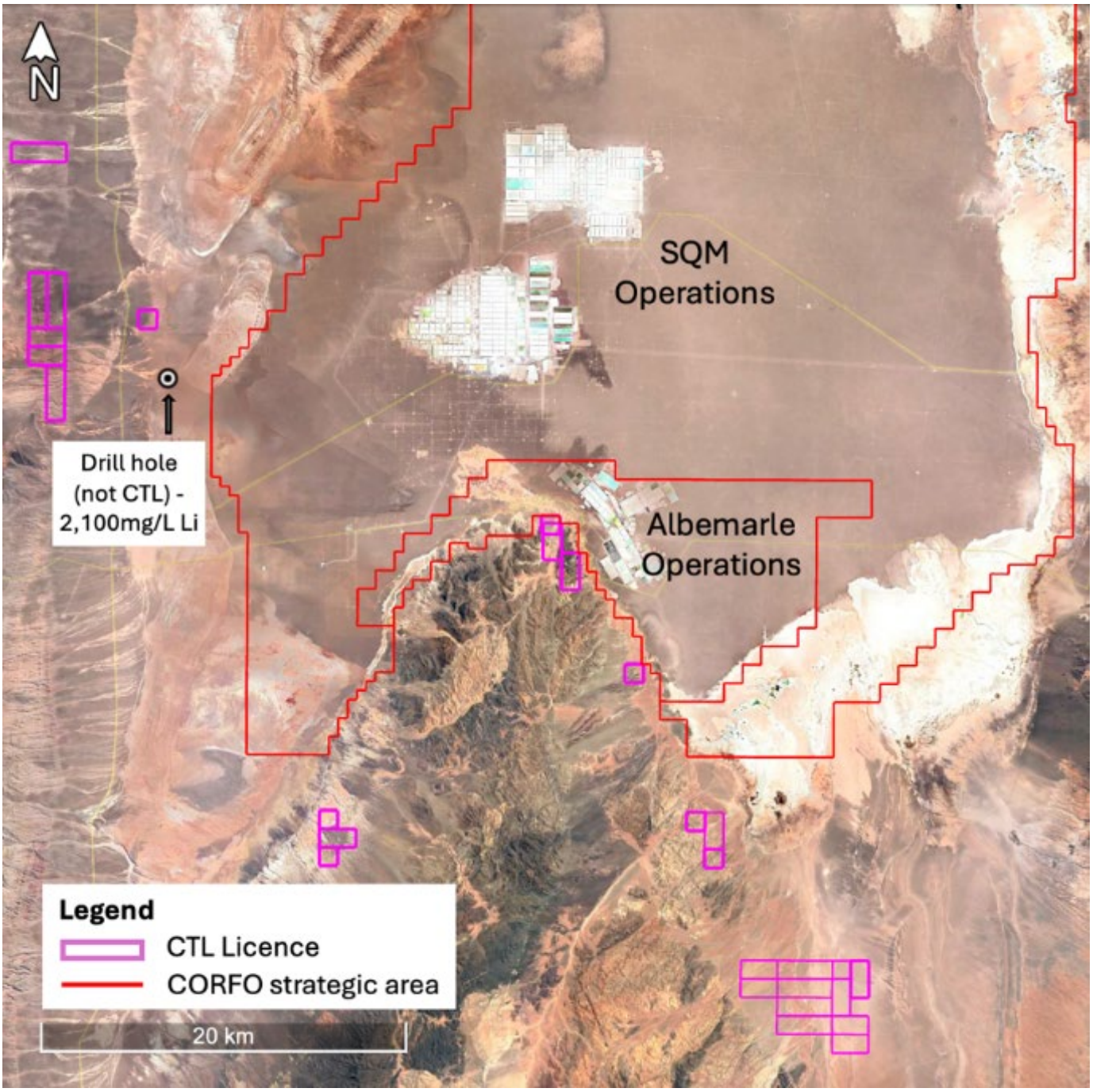

Figure 4: Arenas Blancas licence area in the Salar de Atacama basin, adjacent to SQM and Albemarle operations, which together account for approximately 25–30% of global lithium supply and host the world's largest known lithium reserves.

CEOL Framework & CTL's Unique Position

What is the CEOL?

The CEOL (Contrato Especial de Operación de Litio) framework has been in place for many years and, once awarded, allows CEOL holders to extract, produce and sell lithium in Chile. Only one CEOL was awarded by the government before 2025 and the company made two applications for a CEOL for Laguna Verde under previous

administrative arrangements, these being withdrawn at the request of the Mining Ministry. New procedures were subsequently introduced as part of Chile's National Lithium Strategy, announced by President Boric on 20 April 2023. Under this policy, lithium was reaffirmed as a strategic resource and all new commercial lithium projects must operate under a new government-granted CEOL procedures. The framework replaced the previous ad-hoc system with a more formal process governed by clear eligibility criteria. Its defining structural feature and the pivotal fact underpinning CTL's investment case is that only one CEOL will be awarded per salar. Tenure control is therefore the paramount strategic variable for any lithium developer in Chile.

In 2023, the government identified six priority salars for the first wave of CEOL awards. Laguna Verde was among them and uniquely, it is the only priority salar where a junior company holds a dominant licence position. The remaining priority salars are controlled by CODELCO/SQM legacy structures or major international groups. This made CTL's position genuinely differentiated within the Chilean lithium opportunity set from the outset, and the company's three-year programme of drilling, community engagement and licence consolidation culminating in the acquisition of 30 Minergy licences in August 2025 to raise polygon coverage above 97% was designed specifically to satisfy the government's eligibility criteria and make that advantage unassailable.

The government demonstrated through prior awards including to Rio Tinto/ENAMI at Maricunga and Lithium Chile at Coipasa in 2025 that the process was functional and that it was willing to award CEOLs to both majors and junior companies. Those precedents removed the residual policy execution uncertainty that had weighed on Chilean lithium developers. CTL's agreement of contractual terms with the Ministry of Mining on 10 March 2026 represents the culmination of this process at Laguna Verde. The 40-year CEOL is now agreed with Comptroller ratification the only final administrative step, expected in Q2 2026.

CTL's CEOL — How We Got Here

The path to the CEOL agreement was not linear. As mentioned earlier, CTL applied for a CEOL for Laguna Verde on two previous occasions. CTL's initial application under the new CEOL procedures was rejected in April 2025 for insufficient polygon coverage, triggering the Minergy licence acquisition that resolved the blockage. With coverage above 97%, community consultations complete, and a minority consortium partner in place to satisfy the financial criterion, CTL submitted its application a full month ahead of the December 2025 deadline. Terms were agreed with the Ministry on 10 March 2026.

Date	Event	Commentary
Jan 2025	CTL submits CEOL application under new procedures	First attempt. Rejected Apr 2025 as licence coverage below 80% polygon threshold required by the Ministry.
Apr 2025	Application rejected	Ministry confirms polygon coverage requirement. CTL appeal subsequently dismissed. Strategic licence gap identified.

Apr 2025	Lithium Chile (LITH) awarded CEOL at Coipasa	KEY PRECEDENT: First junior company to receive CEOL. Confirms process is functional and government is executing strategy.
2025	Rio Tinto/ENAMI CEOL signed	Second precedent. Process fully operational. Government awarding contracts to both majors and juniors.
Aug 2025	CTL acquires 30 Minergy licences	Polygon coverage raised to >97%, materially exceeding the 80% threshold. Strategic blockage resolved.
Jul-Oct 2025	Indigenous community consultations completed	Three community support letters submitted with CEOL application. Formal consultation process completed.
Dec 2025	New CEOL pathway opened	Government opens accelerated process for advanced DLE projects. Deadline: 30 January 2026.
1 Dec 2025	Legal case re. certain LV licences	Company confirms licences held in separate subsidiary outside ASL; not required for 80% threshold. No CEOL impact.
5 Jan 2026	CEOL application submitted via ASL	Full month ahead of deadline. Minority Consortium partner satisfies US$30M equity financial criterion. Worley named as PFS lead.
12 Feb 2026	Ministry update (RNS)	CEO in constructive meetings with Ministry. Evaluation ongoing.
10 Mar 2026	CEOL terms formally agreed	40-year CEOL agreed with Ministry of Mining. 153km2. All phases. Decree submitted to Comptroller.
Q2 2026	Comptroller ratification expected	Final administrative review. Cannot change agreed terms. Board unaware of blocking issues.

The Consortium Structure — An Important Nuance

One structural point worth clarifying for investors: CTL's own balance sheet did not meet the Chilean Government's minimum US$30M net equity requirement for CEOL applicants at the time of submission. To satisfy this criterion, CTL formed a consortium with an anonymous, financially strong minerals company or the 'Partner', which receives a nominal fee and, on CEOL award, acquires a de minimis minority stake in ASL of significantly less than 0.01%. CTL holds the exclusive right to transfer that stake to a strategic partner of its choosing at any time for the same price. The Partner is a temporary financial guarantor, not a project co-developer, and the arrangement has no meaningful dilutive effect. It is best understood as an elegant pre-structuring mechanism that enabled CEOL eligibility while preserving full flexibility for the CF&Co partner selection process now underway.

Why the CEOL is the Investment Case Foundation

The CEOL is not merely a regulatory permit, it is the legal foundation upon which all commercial value at Laguna Verde rests. Without it, no lithium project can advance to construction or production in Chile. With only one CEOL available per salar, the award is permanent and exclusive: once granted, no competitor can develop the same salar. CTL's >97% polygon control and the three-year programme of drilling, community engagement, and technical development made it structurally the only viable applicant under the new process, a position formally confirmed by the Ministry of Mining through the 10 March 2026 agreement.

With terms now agreed and the Comptroller ratification underway, the CEOL transforms CTL's risk profile in three ways: it eliminates the exploration-stage regulatory overhang that has suppressed the EV/Resource multiple; it provides contractual security that strategic partners and project lenders require before committing capital; and it removes the single largest binary risk from the investment case, enabling a re-rating toward development-stage multiples.

Pre-Feasibility Study — The Investment Case in Numbers

The PFS published 31st March 2026 is the document the market has been waiting for since CTL's AIM listing in March 2022. Deliberately held back pending CEOL clarity — to avoid sharing commercially sensitive project economics before the licence was secured — it arrived recently with the CEOL agreed, the engineering complete, and a strategic partner process ready to launch. It is the first independent, JORC (2012)-compliant technical assessment of Laguna Verde at PFS grade, and it delivers on the promise of the January 2023 Scoping Study with greater rigour, a wider scope, and a formal Probable Reserve for the first time.

The study was led by Worley as principal engineer (document 319020-00381-0000-GE-TEN-00001_B, effective 31 March 2026), with Montgomery & Associates responsible for resource and reserve estimation, Lanshen for DLE process design, and Agora Soluciones for brine infrastructure. It covers a 15,000 tpa Li_2CO_3 operation over a 25-year mine life and supersedes the Scoping Study as the primary reference for all investment analysis. The key advances over the Scoping Study are the first formal Probable Reserve estimate (378,000t LCE), a more rigorous AACE Class 4 capital cost estimate, a confirmed DLE technology selection in Lanshen, and a fully defined two-site project configuration.

PFS Key Metrics

Parameter	Value	Unit	Notes
Production (nameplate)	15,000	tpa Li2CO3	Month 6 full capacity; 50% in Y1; 100% BG from Y4
Operating Life	25 years	Years	Resource-constrained; 378,000t LCE Probable Reserve
Probable Reserves	378,000	t LCE	At 186 mg/L avg; 424 Mm3 pumped brine; 100 mg/L cut-off
Global Recovery	85.5%	%	DLE 90.0% x LiCl plant 88.6% x Copiapo carbonate 96.5%
Total CAPEX (TIC)	US$748.2m	US$M	Worley AACE Class 4; -30% to +45% accuracy; 35%/65% split 2029/2030
Capex Intensity	~US$49,900/t	Li_2CO_3	Compares favourably with global DLE peers (CEO, 31 Mar 2026)
Sustaining CAPEX	~US$9m/yr	US$M/yr	25-year LOM; primarily Lanshen adsorbent/resin replacement
OPEX (steady state)	US$5,768/t	US$/t Li2CO3	US$86.5M/yr at 15,000 tpa; lowest-quartile cost globally

Avg LOM Revenue	~US$331M/yr	US$M/yr	15,000 tpa x US$22,500/t; based on Canaccord Nov 2025 deck
Avg Unlevered Post-Tax FCF	~US$134M/yr	US$M/yr	Over 25-year LOM; cumulative ~US$3.35bn
Price Deck (base)	US$22,500/t	US$/t	Canaccord Genuity Nov 2025 forecast; flat real from 2030
Pre-Tax NPV8	US$1,366m	US$M	Real 2026 US$; discounted to 2029 construction start
After-Tax NPV8	US$959m	US$M	PRIMARY — post 27% Chilean CIT + progressive CEOL royalties
After-Tax NPV10	US$699m	US$M	Reference / conservative scenario
After-Tax IRR	21.2%	%	Post-tax; 100% equity (unlevered) basis
Payback Period	~4.0 years	Years	From commercial production (Year 1 = 2031)
DLE Technology	Lanshen adsorption DLE		Alumina-based adsorbent; most commercially deployed type globally
Two-Site Structure	LV salar + Copiapo plant		LiCl at 4,300m salar; Li2CO3 conversion at Copiapo (~265km)

Reserves & Resources

The Laguna Verde resource and reserve base provides the geological foundation for a 25-year operation with meaningful upside beyond the mine plan. The total JORC resource, prepared by Montgomery & Associates and effective 30 October 2025, stands at 1.9 million tonnes LCE at an average grade of 174 mg/L (Measured, Indicated, and Inferred), with the higher-confidence Measured and Indicated component totalling 835,000 tonnes LCE at 178 mg/L.

The PFS introduces the first formal Probable Reserve in the project's history: 378,000 tonnes LCE at an average extracted grade of 186 mg/L, sufficient to support the full 25-year LOM at 15,000 tpa with no reliance on Inferred resources. The reserve represents approximately 20% of the total resource, which is entirely consistent with PFS-stage conversion ratios for brine projects and reflects the conservative, well-constrained nature of the reserve estimate rather than any resource risk. The unconverted balance of approximately 1.52 million tonnes LCE remains available for potential reserve upgrade at DFS stage, representing genuine mine-life extension optionality.

PROBABLE MINERAL RESERVE ESTIMATE (JORC 2012, effective 9 March 2026)							
Reserve Category	Classification	Brine Volume Pumped (Mm³)	Avg Extracted Li Conc. (mg/L)	Extracted Li Mass (tonnes)	Extracted LCE (tonnes)	LOM Supported	Notes
Probable	JORC 2012	424	186	71,000	378,000	years @ 15,000 t	Subset of M+I resource; 100 mg/L cut-off; DLE recovery 90%
TOTAL PROBABLE RESERVE		**424**	**186**	**71,000**	**378,000**	**25 years**	**First formal reserve estimate; effective 9 March 2026**
Reserve is a subset of the Mineral Resource. Cut-off grade 100 mg/L Li. DLE recovery factor 90% applied. Probable Reserve is reported at processed brine. Figures rounded to nearest 1,000 tonnes.							

Table 1: Laguna Verde Probable Mineral Reserve Estimate (JORC 2012, effective 9 March 2026, Montgomery & Associates)

Three additional drillholes were recommended by Montgomery & Associates to improve Measured and Indicated confidence and expand the resource boundary, work that would be funded under the Phase 1 pre-development programme and is expected to further strengthen the reserve base ahead of the DFS.

Process Design & Recovery Performance

Brine is extracted from 36 vertical production wells at depths of up to 400m, delivering approximately 524 L/s in Year 1 and 568 L/s from Year 2 onward. After pre-treatment to remove suspended solids, the feed brine passes through 30 Lanshen alumina adsorption columns arranged in a carousel system, where lithium is selectively captured from the brine matrix and desorbed to produce a dilute LiCl eluate. This is subsequently concentrated through a staged membrane circuit — reverse osmosis, nanofiltration, and electrodialysis — to produce a 5.88% LiCl solution suitable for bulk truck transport to the Copiapó carbonation plant via Route 31.

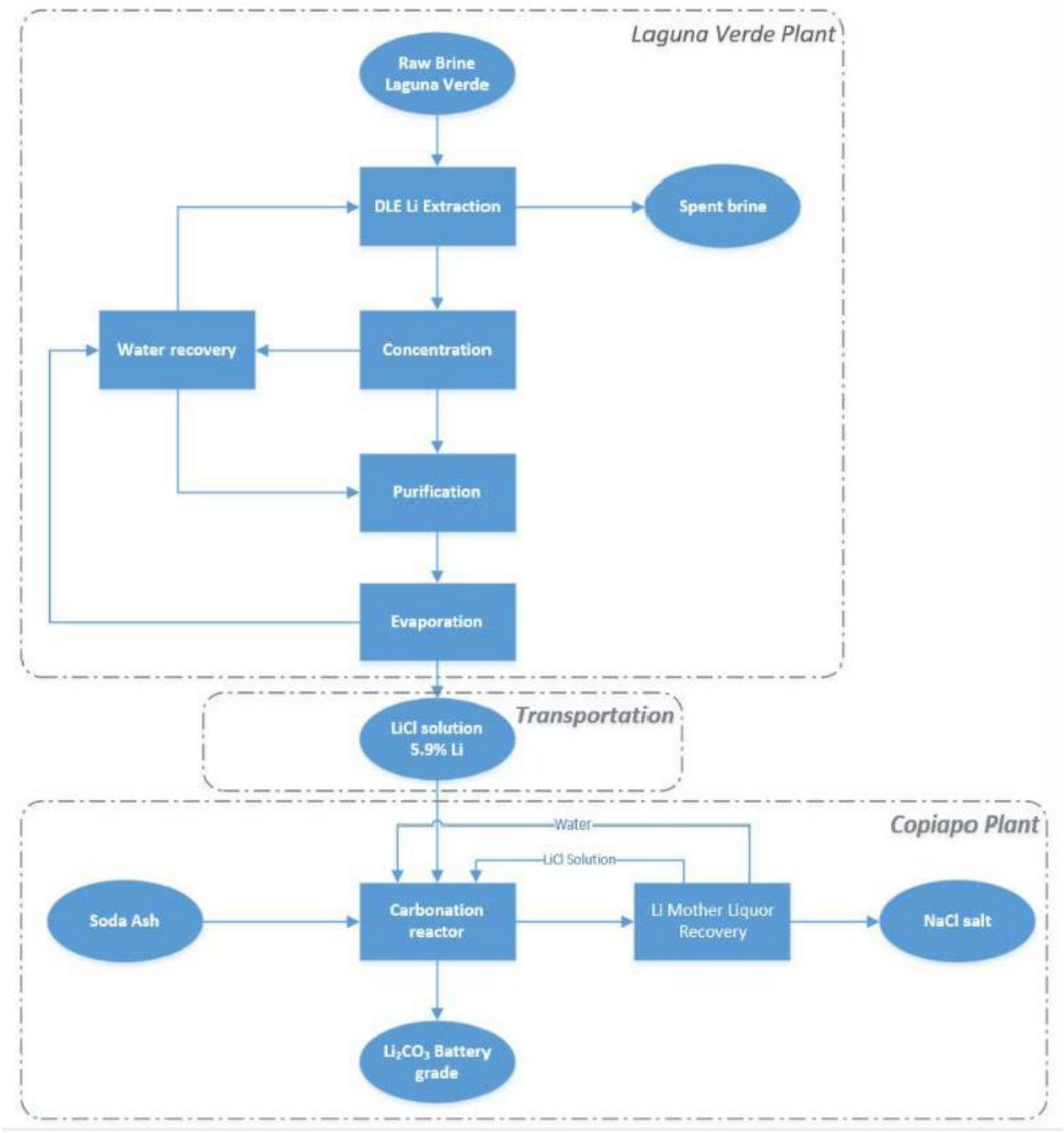

Figure 5: Laguna Verde Project Process Flowchart (Worley, PFS)

At Copiapó, the concentrated LiCl solution is converted to battery-grade Li_2CO_3 via soda ash carbonation at approximately 85°C. Including the mother-liquor recovery circuit, the carbonation stage achieves 96.5% lithium recovery. Combined with the 88.6% recovery at the LiCl plant, global end-to-end recovery is 85.5%.

The project ramps to full capacity by Month 6 of operations: 70% in Months 1–2, 85% in Month 3, 90% in Months 4–5, and 100% from Month 6 onward. Product mix transitions from 50% battery-grade and 50% technical-grade in Year 1, reaching 95% battery-grade by Year 2 and 100% battery-grade from Year 4, at which point the project operates at its steady-state economics.

Figure 6: CTL's pilot plant at Copiapó, which produced high-purity battery-grade lithium carbonate (99.78% Li_2CO_3) from real Laguna Verde brine and independently verified by Dorfner Anzaplan, Germany, in January 2025.

Capital Costs — US$748M TIC, US$49,900/t Intensity

The Total Installed Cost of US$748.2M reflects a Worley AACE Class 4 estimate with an accuracy range of -30% to +45%, consistent with PFS-level engineering maturity. Capital is phased across the two construction years with 35% (US$261.9M) in 2029 and 65% (US$486.3M) in 2030, but no production revenue until 2031. The largest cost centre is the Laguna Verde salar site at 46.2% of TIC, driven by the LiCl process plant, 36 production wells, and associated high-altitude infrastructure. The Copiapó carbonation plant accounts for 17.2%. Contingency of US$125M (17% of TIC) addresses uncertainties inherent at this study stage, including DLE commercial scale-up, high-altitude construction logistics, and quantity variability, but does not cover escalation, scope changes, or financing costs.

At approximately US$49,900 per tonne of Li_2CO_3, the capex intensity compares favourably with other DLE projects globally, many of which exceed US$60,000-80,000/t. This reflects the modular Lanshen plant design, Chile's established infrastructure advantages and the cost efficiency of the two-site configuration. Sustaining capital averages approximately US$9M per annum over the 25-year LOM, primarily covering adsorbent and resin replacement, a well-defined and predictable ongoing cost.

Operating Costs — US$5,768/t: Lowest-Quartile DLE Economics

At US$5,768/t Li_2CO_3 (US$86.5M/yr at steady state), Laguna Verde sits in the lowest-cost quartile among DLE developers globally, a structural cost advantage that provides meaningful downside protection against lithium price volatility. The two dominant cost drivers are energy (US$2,168/t, 38%) and chemical reagents (US$1,970/t, 34%), together accounting for approximately 72% of total OPEX. The energy component reflects the power-intensive DLE adsorption process at the high-altitude salar site; CTL is evaluating a renewable-energy BOOT power supply arrangement that could reduce both costs and carbon intensity at DFS stage, representing potential further upside to the base case.

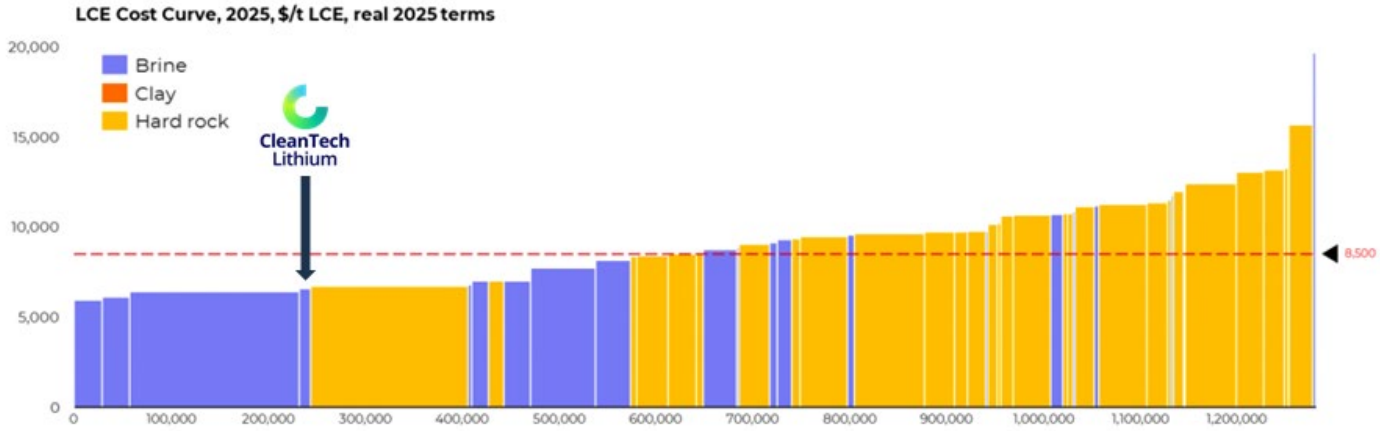

Figure 7: Laguna Verde's low operating costs (US$5,768/t) place it in the lowest cost quartile globally, providing a structural buffer against downside risk (Worley/ Clean Tech Lithium LV PFS)

The two-site configuration also delivers a less obvious but significant labour efficiency advantage. Approximately 70% of the operational workforce is employed at the Copiapó carbonation plant rather than the remote high-altitude salar, giving the project access to a deep, competitive skilled labour market and substantially reducing the costs and logistical complexity of maintaining a large high-altitude workforce.

Economic Analysis — US$959M After-Tax NPV8, 21.2% IRR

The economic results confirm Laguna Verde as a project of genuine institutional scale. On an after-tax basis, using a 100% equity, unlevered structure in real 2026 US dollars discounted at 8% to the 2029 construction start, the project delivers an NPV of US$959M, an IRR of 21.2%, and a payback period of approximately four years from first production; metrics that would be competitive in any mining jurisdiction globally, let alone one with the contractual security of a 40-year CEOL.

The price deck uses Canaccord Genuity's November 2025 long-term lithium carbonate forecast of US$22,500/t from 2030, held flat in real terms which is inline with the US$22,400/t average of Fastmarket's 20-year forward pricing curve and what we believe to be a conservative assumption relative to the incentive pricing required to bring new DLE supply to market. Over the 25-year operating

life, the project generates average annual revenue of approximately US$331M and average unlevered post-tax free cash flow of approximately US$134M. This is approximately five times CTL's current £20.1m market capitalisation, generated every single year at steady state. Cumulative after-tax cash flows over the life of mine are approximately US$3.35bn at the base case price, providing any strategic partner with a clear and compelling long-term return on the US$748M construction investment.

Driver	Base Value	-20%	-10%	Base	+10%	+20%
CAPEX	US$748M	1,094	1,026	959	891	824
Li2CO3 Price	US$22,500/t	546	757	959	1,158	1,357
Production	15,000 tpa	635	798	959	1,120	1,279
OPEX	US$5,768/t	1,063	1,010	959	905	852

Table 2: NPV Sensitivity (After-Tax, 8% Discount Rate, US$M)

CEOL Fiscal Obligations – A Modest Burden at Base Case Economics

The CEOL incorporates five distinct fiscal mechanisms payable to the Chilean state and designated beneficiaries. This structure whilst more complex than a simple royalty rate, ultimately proves modest relative to the project's economics. The most significant is the ad valorem royalty, applied on a progressive marginal basis across defined price bands with each band taxed at its own incremental rate, analogous to income tax brackets. At the PFS base case price of US$22,500/t, the effective ad valorem rate is 2.94% (US$662.50 per tonne), yielding approximately US$9.9M per annum at steady state.

The remaining mechanisms comprise contributions to indigenous communities (0.4% of gross revenue), local government payments (0.4% of gross revenue), a sustainable productive development contribution (15% of the ad valorem royalty, deductible from it), and a Mining Operating Margin Royalty that applies progressively on operating margin ranging from 0% below a 20% margin to 15.5% above a 99% margin. In aggregate, the combined weighted average fiscal burden is approximately 6.1% of gross revenues at the base case price, equivalent to approximately US$18M per annum at steady state. This rises to approximately US$25M per annum from 2047, reflecting the exhaustion of depreciation allowances under the Margin Royalty, a timing effect rather than a step-change in the underlying rate structure, and one that is already captured in the PFS economic model.

Mechanism	Rate	Basis

Ad Valorem Royalty (marginal)	Progressive	Applied per price band: 0–US$10k: 1%; US$10–15k: 2.5%; US$15–20k: 5%; US$20–25k: 7.5%; US$25–30k: 20%; US$30–35k: 30%; US$35–40k: 40%; US$40–60k: 50%; over US$60k: 50%. Effective rate 2.94% at US$22,500/t. ~US$9.9M/yr at base case.
Indigenous Community Contributions	0.4% of revenue	Quarterly; paid to designated Colla communities per CEOL and private agreements
Local Government Contributions	0.4% of revenue	Atacama Regional Government and local municipalities; deductible from ad valorem
Sustainable Productive Development	15% of ad valorem	Additional payment to State institutions; also deductible from ad valorem
Mining Operating Margin Royalty	0% – 15.5%	Progressive on operating margin: 0% below 20% margin; 15.5% above 99% margin
Combined weighted average burden	~6.1% of revenue	At US$22,500/t, 15,000 tpa; ~US$18M/yr steady state; rises to ~US$25M/yr from 2047

Table 3: CEOL Fiscal Obligations

Next Steps — Strategic Partner, EIA & DFS (2026–2028)

With CEOL terms agreed and the PFS published recently, CF&Co's formal partner selection process is now live — and it arrives better prepared than most. CF&Co was appointed on 6 January 2026, the day after the CEOL application RNS, and has spent three months in preliminary engagement with its target list. A number of parties have been operating under NDA, awaiting precisely the two milestones delivered today — CEOL agreement and PFS publication. The formal process therefore commences with a pre-qualified universe of interested parties rather than a cold start.

Figure 8: CTL's pathway to production with CEOL award and PFS both delivered in Q1 2026, the company now advances into the strategic partner selection, EIA, and DFS phase targeting a Final Investment Decision in 2028 and first production in 2031.

The transaction involves two phases. Phase 1 (2026–2028) covers pre-development through to FID, requiring US$40M to fund the DFS, EIA, additional resource drilling, FEED studies, and early works. Phase 2 covers construction and ramp-up, with total funding estimated at US$800–950M including financing costs. CTL's preferred structure secures a firm Phase 1 commitment upfront with conditional Phase 2 support aligned to DFS outcomes and agreed milestones, though Phase 1-only proposals will also be considered.

In return, CTL is prepared to offer corporate-level equity — a minority stake in CTL plc with potential board representation — or project-level participation through a JV governance structure at the project subsidiary level, tailored to partner preference. CTL seeks to retain majority ownership and effective control in all scenarios. For partners supporting Phase 2, long-term offtake rights and potential equity interest increases are available alongside the construction commitment. Partners in scope include OEMs, battery manufacturers, cathode producers, international trading houses, and mining majors — consistent with the profile of strategic deals executed on comparable Latin American DLE projects.

Proposals are sought by end-June 2026 with finalisation targeted Q4 2026. A credible partner announcement would be the most transformative single catalyst available to CTL over the next 12 months — providing third-party validation of the project economics, defining a clear pathway to the US$748M capital requirement, and completing the transition from exploration-stage developer to funded project.

Valuation

EV/Resource Peer Framework

We use EV/Resource is the primary valuation metric for pre-production lithium brine developers, enabling direct comparison across companies at a similar stage of development. The analysis is based on CTL's combined 2.82 Mt LCE resource (Laguna Verde 1.9 Mt and Viento Andino 0.92 Mt), consistent with peers that report on a total portfolio basis. On this basis, CTL trades at approximately US$7.7/t, representing a ~71% discount to the peer median and a significant discount to Argosy Minerals' pilot-production multiple of US$87.1/t.

Company	Tkr	Stage	Res (Mt LCE)	Mkt Cap (US$M)	EV (US$M)	EV/t (US$)	Note
Public Listed Trading Peers							
CleanTech Lithium	CTL	PFS complete	2.82	21.7	21.7	7.7	CEOL agreed; LV+VA; 97.7% disc to NPV8
Lithium Chile	LITH	CEOL	4.1	96.6	98.0	23.9	Arizaro sale US$175M Dec 2025 (M&A); Coipasa CEOL
Standard Lithium	SLI	FID & Const.	4.35	768	615.9	141.6	FID; Trafigura offtake; US-listed premium
Lake Resources	LKE	DFS (delayed)	11.1	122.5	112.3	10.1	DFS delays and cost pressures impacting valuation
Argosy Minerals	AGY	Pilot prod.	0.73	66.6	63.8	87.1	First commercial DLE LatAm; DFS ongoing
Galan Lithium	GLN	Start up	9.50	288.7	259.3	27.3	HMW & Candelas; evaporation-based
Peer Median	—	—	—	—	—	27.3	CTL = 71% discount to peer median
CTL M&A Peer Comparables							
Arizaro M&A (LITH)	M&A	Pre-DFS	4.1	—	175	~43	Dec 2025; most recent LatAm brine M&A
Millennial Lithium	M&A	Pre-DFS	4.4	—	~400	~91	2021 M&A ceiling — funded pre-production

Table 4: CLT Peer Comparables and M&A Precedents As of 23rd April

The peer landscape has evolved materially over the past year, with a clearer differentiation emerging across development stages. Standard Lithium, now at FID with a Trafigura-backed offtake, trades at ~US$141.6/t, effectively defining the upper bound for fully funded construction-stage projects. Argosy Minerals, at pilot production, provides the most relevant LatAm DLE benchmark at ~US$87.1/t, reflecting early-stage operational validation. At the lower end of the development curve, Galan Lithium, currently in commissioning, trades at ~US$27.3/t and broadly anchors the peer median. Lake Resources, trading at ~US$10.1/t following delays to its DFS and financing pathway, sits below CTL's current valuation and is not considered an appropriate post-CEOL floor comparator.

Lithium Chile (LITH), at ~US$23.9/t, represents the closest available CEOL-stage comparable. However, its current market capitalisation of approximately US$98M continues to trade at a discount to the announced US$175M Arizaro transaction, implying limited attribution of value to the Coipasa CEOL itself. As such, LITH is more appropriately viewed as an M&A reference point (~US$43/t) rather than a reliable indicator of post-CEOL trading levels. The key implication for CTL is that CEOL ratification, while necessary, is unlikely to be sufficient to drive a full re-rating in isolation; instead, a strategic partner announcement is expected to be the primary catalyst for valuation uplift.

Risked NAV — PFS-Derived Valuation Anchor

The risked NAV is a supplementary valuation approach that applies a development-stage discount to the PFS NPV to estimate equity value attributable to current shareholders. It gives us a handle on project viability and an idea of the scale of potential capex. It is also presented as a cross-check on the EV/Resource framework and as an independent anchor for the target price.

Input: PFS after-tax NPV10 of US$699M. Discount: 85%, reflecting undeployed CAPEX (US$748M + US$65M working capital), execution risk, financing dilution, and the time value to first production in 2031. Output: risked NAV of US$105M (US$699M × 15%). On a basic share basis of 204.2M shares with approximately £0 net debt, this implies 40.5p per share. On a fully diluted basis (407.7M shares, +£8.66M proceeds), it implies 22.4p.

Stage	Value	Notes
PFS after-tax NPV_{10} (base)	US$699M	Worley; 100% equity; real 2026 US$; 10% discount
Development-stage discount	85%	Undeployed CAPEX, execution risk, financing dilution, time value to 2031 production
Risked NAV (15% of NPV10)	US$104.9M	US$699M × 15%
Risked NAV in GBP (@1.27)	US$105M/ £82.6M	US$105M ÷ 1.27
Per share (204.2M Undiluted)	40.5p	£82.6M ÷ 204.2M × 100

Per share (407.7M, +£8.66M FD)	22.4p	(£82.6M + £8.66M) ÷ 407.7M × 100
Equivalent EV/Resource multiple	US$37.2/t	US$105M ÷ 2.82 Mt LCE — between partner (US$35/t) and ASX step (US$40/t)
NPV8 discount at current (7.5p)	97.7%	Market attributing only 2.3% of assessed project value
NPV8 discount at 40p target	~93.3%	Still deeply conservative for a funded development-stage project

Table 5: Risked NAV Derivation

Share Capital Basis — Key Facts
Basic (204.2M, net debt ~£1M): Current issued share capital only. CLNs remain as debt (maturing June 2026). Standard primary basis for per-share targets in sell-side research.
Fully diluted (407.7M, +£8.66M proceeds): Incorporates all vested and not-yet-vested in-the-money instruments. Exercise proceeds of £8.66M are added to equity value. At lower multiples (below ~US$25/t) the proceeds are meaningfully accretive per share; at higher multiples the dilution effect dominates. Fully diluted is the maximum theoretical case — standard treasury stock method would reduce effective dilution further.
CLN treatment: CLNs (£~1M net debt) mature June 2026. If converted to equity rather than repaid in cash, the basic share count increases and net debt falls to nil — the per-share impact is broadly neutral at current prices. The fully diluted count already assumes all in-the-money instruments including CLN-attached warrants have exercised.
Not included in either basis: Out-of-the-money or not-yet-vested instruments that are not in the money are excluded from both bases above.

Table 6: Fully Diluted Share Count – Components Included in Per Share Valuation

The risked NAV of US$105M is equivalent to a US$37.2/t EV/Resource multiple, a figure that sits naturally between the partner re-rating step (US$35/t = 21.2p FD) and the ASX listing step (US$40/t = 23.9p FD). This convergence provides strong cross-validation of the 12-month target range and confirms that the two approaches are consistent, not contradictory.

For reference, applying the same 85% discount to the more commonly cited NPV_8 figure (US$959M) would yield US$144M or 35p per share FD. We use NPV_{10} (US$699M) as the more conservative input, although still below the company's actual cost of capital. The 85% discount itself is a judgement, applying 80% yields US$140M or 34.3p per share; applying 90% yields US$96M or 23.4p ps. Taken together, this range underscores that even under conservative assumptions, the current valuation fails to reflect the underlying project value and the degree of de-risking already achieved.

12-Month Target Price Construction

The 12-month target is derived from three distinct components, each presented separately to avoid double counting and calculated on a fully diluted basis. Components A (risked NAV) and B (EV/Resource re-rating on partner entry) are based on independent methodologies, while Component C (ASX listing) is treated as an incremental liquidity-driven uplift and excluded from the base case.

Component	Multiple / Input	Implied Price	Rationale & Notes
A Risked NAV (85% disc. to NPV10 US$699M)	US$105M (US$37.2/t equiv.)	40.5p basic 22.4p FD	PFS-derived; independent of peer multiples.
B EV/Resource re-rating (partner announcement at US$35/t)	US$35/t	38.1p basic 21.2p FD	Market-comparable approach. US$35/t between peer median (US$27.3/t) and Arizaro M&A (US$43/t). Financing risk removed + third-party NPV validation.
Blended A+B (equal weight)	—	39.3p basic 21.8p FD	Average of two independent methods. A is NPV-based; B is market-based.
C ASX listing uplift (US$40/t additive)	US$40/t	43.5p basic 23.9p FD	Liquidity-driven; separate from fundamental re-rating. Presented as additional upside to blended target, not included in base 40p.
12-MONTH BASE TARGET (with partner) Blended A+B, rounded	~US$37.2/t	40p basic 22p FD	21.8p rounded to 22p. Assumes strategic partner announced by Q3 2026. With ASX (Component C), target extends to 24p.
CONSERVATIVE 12m (no partner) CEOL + PFS re-rating only	US$24/t	26.1p basic 15.2p FD	LITH CEOL parity. This is floor if partner process delayed beyond 12 months. Does not require partner, DFS, or ASX listing.

Table 8: Breakdown of 12-Month Share Price Target

Components A (22.4p FD) and B (21.2p FD) are derived from fundamentally different inputs, the PFS cash flow modelling and observable peer market multiples, yet converge closely. Their alignment provides a strong internal cross-check, and their average of 21.8p (rounded to 22p FD) is adopted as the base 12-month target. Component C, reflecting an ASX listing at US$40/t or 23.9p (24p FD), represents additional upside if delivered within the period, but is not included in the base valuation.

EV/Resource Sensitivity — Implied Share Prices

Sensitivity is shown across EV/t multiples based on the full combined resource of 2.82 Mt LCE (Laguna Verde and Viento Andino). Per-share values are presented on both a basic (undiluted) basis (204.2M

shares) and a fully diluted basis (407.7M shares, including £8.66M of exercise proceeds). Viento Andino is included in the resource base, reflecting the potential processing and infrastructure synergies between the two projects; excluding it would reduce per-share valuations by approximately 48% at equivalent multiples.

EV/t LCE (US$) →	US$7.7	US$14	US$24	US$27.3	US$35	US$37.2	US$40	US$43	US$45	US$87.1	US$91
Anchor	*Current*	*CEOL floor*	*LITH parity*	*Peer median*	*Partner step*	*rNAV equiv.*	*ASX listing*	*Arizaro M&A*	*DFS commences*	*Argosy parity*	*Millennial M&A*
EV (US$M) [2.82Mt × mult]	21.7	39.5	67.7	77.0	98.7	104.9	112.8	121.3	126.9	245.6	256.6
EV (£M) [@1.27]	17.1	31.1	53.3	60.6	77.7	82.6	88.8	95.5	99.9	193.4	202.1
Price — UD (204.2M)	8.4p	15.2p	26.1p	29.7p	38.1p	40.5p	43.5p	46.8p	48.9p	94.7p	99p
Price — FD (407.7M)	6.3p	9.7p	15.2p	17p	21.2p	22.4p	23.9p	25.5p	26.6p	49.6p	51.7p
Upside vs 8.38p (basic)	+0%	+7%	+18%	+21%	+30%	+32%	+35%	+38%	+41%	+86%	+91%

Table 9: EV/Resource Sensitivity

5. Target Price Summary

Our 12-month target price of 22p (based on 407.7M shares fully diluted) implies ~165% upside from the current price of 8.3p and supports a Speculative Buy recommendation. The valuation is underpinned by three complementary approaches, EV/Resource, risked NAV, and peer comparables which converge on a consistent conclusion: the current share price does not reflect the progress achieved through CEOL terms agreement and PFS completion in Q1 2026.

Scenario	EV/Resource (US$/t)	Implied Price (ps FD)	Basis & Catalyst
Current (implied)	US$7.7/t	6.3p	97.2% discount to NPV8 US$959M. ~66% discount to peer median. Neither CEOL agreement nor PFS publication priced in.
Fox-Davies Capital 12m TARGET	US$35/t	22p	PRIMARY. CEOL ratification + PFS digested+ Strategic Partner.

18m Target	US$40/t	24p	CEOL ratification + PFS digested+ Strategic Partner + ASX Listing - Independently drives stock to this range regardless of lithium price movements.
Bull — partner + DFS + ASX	US$45/t	27p	Full development-stage re-rating. At US$65/t, CTL still below the Arizaro M&A precedent. Bull case is grounded in observable comparable data.
Bear — price + CEOL delay	US$8–12/t	6–8p	Sustained Li_2CO_3 below US$12,000/t beyond 2028 AND 6–12 month Comptroller delay.

Key assumptions: GBP/USD 1.27, 407.7M Shares diluted, LV resource 1.9 Mt LCE and VA (0.92 Mt LCE) Base price deck: Canaccord US$22,500/t from 2030 as per PFS.

Table 10: Fox-Davies Target Price Summary

The 22p base case assumes both CEOL ratification and the announcement of a credible strategic partner, representing the key inflection point in the investment case. The partner is expected to provide funding clarity for development capex, materially reduce execution risk, and validate the PFS economics, supporting a re-rating toward ~US$35/t.

The subsequent move to 24p is driven by an ASX dual listing, which we view as a liquidity and market access catalyst rather than a fundamental re-underwriting of project value. This step reflects broader institutional participation, particularly from Australian resources investors, and aligns valuation more closely with global lithium peers.

Beyond this, the bull case (27p+) reflects continued de-risking through DFS progression and improved market access, while still remaining below recent M&A benchmarks on an EV/Resource basis.

Conversely, the bear case (6–8p) requires both a sustained deterioration in lithium prices and a delay to CEOL ratification. At current levels, the stock is already trading at the top end of this range, suggesting limited further compression unless there is a materially weaker macro environment.

Key Catalysts & 12-Month Outlook

The single most important near-term milestone is CEOL Comptroller ratification, expected Q2 2026. This converts the current 'agreed' status to 'formally awarded', an important distinction for project lenders who require confirmed tenure before beginning credit work. It is also the trigger for the 40-year clock to formally commence. The Board is unaware of any blocking issues and the Comptroller cannot alter the agreed terms; making this is an administrative process, not a renegotiation.

Timeline	Catalyst	Commentary	Priority	Re-rating Impact
10-Mar-26	CEOL Terms Agreed	40-year Special Lithium Operating Contract agreed with Chilean Ministry of Mining,	DONE	Transformative

		153km², all phases. Third private-sector CEOL in Chile. Provides contractual security of tenure required by strategic partners and project lenders. Decree submitted to Comptroller General for ratification.		
31-Mar-26	PFS Released (Worley)	JORC-compliant PFS confirms: After-tax NPV8 US$959M | IRR 21.2% | CAPEX US$748M | OPEX US$5,768/t | 15,000 tpa | 25-year LOM | Capex intensity ~US$49,900/t. Avg LOM unlevered post-tax FCF ~US$134M/yr. Provides the absolute NPV anchor for valuation. Srategic partner process formally commenced	DONE	Transformative
Q2 2026	CEOL Comptroller Ratification	Final administrative review by the Comptroller General, a constitutionality/legality check only. Cannot change agreed terms. Board unaware of any blocking issues. Converts 'agreed' to 'formally awarded'. Formally starts the 40-year CEOL clock. Most important near-term milestone for share price re-rating.	CRITICAL	HIGH
Q2–Q3 2026	Strategic Partner Announcement	Strategic partner process started and proposals sought by end-June 2026; finalisation targeted Q3 2026. Phase 1: US$40M pre-development (DFS, EIA, FEED, 2026–2028). Phase 2: US$800–950M total construction capital. Partners in scope: OEMs, battery manufacturers, cathode producers, trading houses, mining majors. A credible announcement provides third-party validation of project economics and defines a pathway to the full US$748M capital requirement.	HIGH	HIGH
H1 2026	EIA Submission	Environmental Impact Assessment submission programmed H1 2026. SEIA review process typically 18–24 months; RCA approval required before construction. New Kast government (inaugurated March 2026) has explicitly flagged expedited permitting as a policy priority with potential to shorten review timeline. Critical path item for FID 2028 and construction start 2029.	HIGH	MEDIUM
H2 2026	ASX Dual Listing	With both CEOL and PFS now in place listing is actionable. Broadens institutional investor base to Australian superannuation funds and	MEDIUM	MEDIUM

		resources-focused institutions with no current route into CTL as AIM-only. ASX-listed lithium peers trade at materially higher multiples than AIM equivalents. Likely accompanied by a capital raise; if done at or above current price, validates share price and introduces new long-term institutional holders.		
2026	Permanent CFO Appointment	Gordon Stein serving as non-Board CFO consultant initially to end-June 2026, leading the strategic partner engagement. Permanent CFO appointment with Public company and mining project finance experience required as company transitions into development financing phase. Key governance item for institutional investors and lending banks.	MEDIUM	LOW
2026–2028	DFS + FEED	Definitive Feasibility Study and Front-End Engineering Design, funded via Phase 1 pre-development capital (US$40M from strategic partner). DFS tightens AACE Class 4 estimate range (-30%/+45%) to Class 3 or better. FEED provides detailed engineering basis for construction contracts. FID targeted 2028; construction 2029–2030; first production 2031.	MEDIUM	MEDIUM
2026 — watch	DuPont Nanofiltration Results	CTL evaluating DuPont Water Solutions NF membrane technology as a complementary upstream concentration step. Could improve Li:Mg feed ratio entering DLE columns and reduce reagent consumption. Not in PFS base case. Positive results at DFS stage could reduce OPEX below US$5,768/t baseline providng potential further downside protection on the cost curve.	WATCH	LOW

Table 11: Expected Key Catalysts over next 12-18 months and beyond

The PFS publication of 31 March 2026 is the second foundational milestone, providing the absolute NPV anchor of US$959M after-tax NPV_8 that transforms the investment case from speculative-CEOL to development-stage. It also formally opens the partner selection process, which had been awaiting both CEOL and PFS before commencing.

The strategic partner announcement is the third and potentially most transformative catalyst in the 12-month outlook. It would simultaneously provide third-party validation of the project economics, define a credible pathway to the US$748M capital requirement, and signal definitively to the market that CTL

has transitioned from exploration-stage to fundable developer. Proposals are sought by end-June 2026 with finalisation targeted Q3 2026.

These three milestones form a logical sequence: CEOL ratification de-risks the tenure, PFS provides the economics, and the partner announcement funds the development. Each is independently catalytic for the share price; together they define a re-rating pathway from the current 8.38p trough to our 22p base case and beyond.

Key Risks & Mitigants

Risk Factor	Severity	Direction vs Prior	Risk Assessment	Mitigants & Context
Lithium Price	MEDIUM	Stable	Spot Li_2CO_3 ~US$19,000/t (March 2026) — below Canaccord long-term deck of US$22,500/t. Current spot is not the relevant price: CTL produces from 2031. The investment question is price over the 2031–2055 production window. At 80% of base price (US$18,000/t), after-tax NPV8 remains US$546M — approximately 20x the current market capitalisation.	• Lowest-quartile OPEX at US$5,768/t provides structural downside buffer vs higher-cost peers • Canaccord US$22,500/t deck is at the lower end of the long-run incentive price range • Supply disruptions (Jiangxi, CATL) and BESS demand growth support long-run pricing • 40-year fixed-cost CEOL structure limits exposure to price-driven policy changes
CEOL Ratification	LOW	Materially reduced	Terms formally agreed with the Ministry of Mining on 10 March 2026. Comptroller General review is a constitutionality/legality check only, cannot alter agreed terms. Board is unaware of any blocking issues. Q2 2026 ratification expected. Risk has been materially reduced from HIGH pre-agreement to LOW post-agreement.	• Contractual terms already agreed, Comptroller cannot renegotiate • Two prior CEOLs ratified without issue (Rio Tinto/ENAMI; Lithium Chile) • New Kast government (March 2026) is pro-investment and supports the CEOL programme • Board monitoring closely; no blocking issues identified
PFS Capex Overrun	MEDIUM	Stable	AACE Class 4 estimate carries an accuracy range of -30% to +45%. US$125M contingency (17% of TIC) included for DLE scale-up, high-altitude construction logistics, and design maturity. A ±20% CAPEX variation equals ±US$135M on after-tax NPV8,	• Worley is internationally recognised; methodology is conservative • Modular Lanshen plant design supports phased and cost-controlled construction • Chile's established infrastructure reduces logistics

			the least sensitive driver in the PFS sensitivity analysis. DFS will tighten to AACE Class 3 or better.	uncertainty vs remote salars • Two-site structure allows Copiapó plant construction in lower-risk environment • DFS + FEED (2026–2028) will substantially narrow accuracy range
DLE Commercial Scale-Up	MEDIUM	Reduced by PFS	Lanshen adsorption DLE proven at pilot scale: 88.6% LiCl plant recovery, 99.78% purity, 3.6x Li upgrade, impurity rejection Na/K 100%. Commercial scale at 15,000 tpa remains unproven at this specific cost structure. Modular design (5,000 tpa per train) reduces single-point scale-up risk. Lanshen's track record of commercial installations in China is the primary mitigant.	• Lanshen alumina adsorbent is most commercially deployed DLE type globally • Pilot used real Laguna Verde brine not synthetic so results reflect true site conditions • Independently verified by Dorfner Anzaplan, Germany (Jan 2025) • Modular 5,000 tpa train design: failure in one module does not halt full plant • Eramet/Centenario (Argentina) commissioning validates DLE at commercial scale
Strategic Partner / Financing	MEDIUM +	Reduced by CEOL + PFS	US$748M initial CAPEX requires partner equity participation and/or project debt. Partner process formally commenced with CEOL agreed and PFS published. A number of parties have been under NDA awaiting these two milestones. Phase 1 (US$40M) and Phase 2 (US$800–950M total) in scope. Proposals sought end-June 2026; finalisation targeted Q3 2026.	• CEOL agreement provides the contractual certainty lenders and partners require • 21.2% after-tax IRR is competitive globally for a DLE project of this scale • CF&Co has 200+ transactions / US$20bn+ advised; relevant lithium precedents • Long-term offtake rights available — highly attractive to OEMs and battery makers • Chile's tier-one jurisdiction and FTA network (US, EU, China) enhances appeal
EIA	MEDIUM	Improved by new govt	EIA submission programmed H1 2026. SEIA review process typically 18–24 months; RCA approval required before construction. FID in 2028 requires RCA approval by approximately mid-2027. No fatal EIA flaws identified at PFS stage. Project not located within	• New Kast administration (March 2026) has explicitly prioritised expedited permitting • Pre-EIA baseline studies completed with MYMA (environmental consultants) 2022/23 • Formal community alliance (Dec 2023) with Colla communities and

			SNASPE protected areas; nearest National Park (Nevado Tres Cruces) approximately 30km away.	no opposition events • DLE with brine reinjection: no evaporation ponds; minimal surface disturbance • VAT refund of £1M approved by Ministry of Economy signals government support
Political / Policy	LOW	Improved by Kast	Chile held a presidential election in November 2025. New President Kast was inaugurated March 2026. National Lithium Strategy has broad bipartisan support; CEOL contracts are legally binding regardless of administration. Kast is explicitly pro-business and has signalled expedited permitting and pro-investment tax reform as policy priorities.	• CEOL contract is legally binding and cannot be unilaterally altered by any government • Kast administration is more pro-investment than Boric • National Lithium Strategy has cross-party legislative support in Chile • Chile's strong institutional framework (rule of law, ICSID membership) protects investors
Water Rights	MEDIUM	Stable	LiCl plant requires 160,800 m^3/yr process water (5.6 L/s). LC plant at Copiapó requires no industrial water during normal operations. Water rights application process in Chile typically approximately one year. Multiple identified freshwater sources in the basin.	• Peñas Blanca River: continuous flow year-round from west • Freshwater exploration wells: demonstrated pumping >40 L/s, roughly 7x requirement • Basin recharge estimated at 570 L/s (M&A, 2024) — 100x requirement • DLE brine reinjection eliminates aquifer depletion risk (key regulatory concern) • Community water management protocols in place under CEOL framework
CLN Maturity/ Liquidity	MEDIUM	Near-term	Convertible loan notes mature June 2026 — refinancing or repayment required. No permanent CFO currently in post (Gordon Stein consulting initially to June 2026). Estimated net debt ~£1M. The combination of CEOL agreement, PFS publication, and active partner process materially improves the fundraising backdrop versus six months ago.	• CEOL + PFS = materially improved fundraising backdrop vs prior attempts • Partner Phase 1 process (US$40M) could provide balance sheet bridge • Gordon Stein retained initially to June 2026 — continuity through critical period • ASX listing capital raise option available once listing is executed • Valuations assume CLN conversion

Legal Case	LOW	Contained	A legal case relating to certain Laguna Verde licences was announced on 1 December 2025. The company confirmed (5 January 2026 RNS) that these licences are held in a separate CTL subsidiary outside ASL and are not required to meet the 80% polygon threshold. No impact on CEOL application or award. Monitoring required.	• Licences in question are outside the ASL CEOL application entity • Not required for the 80% polygon threshold as confirmed by company • CEOL terms agreed subsequent to legal case announcement and Ministry satisfied • Company monitoring; no material developments since December 2025

OVERALL RISK ASSESSMENT	
Risk profile vs 12 months ago	Materially improved. CEOL risk has de-rated from HIGH to LOW following the 10 March 2026 agreement. The two dominant risks that justified the trough valuation, CEOL denial and absence of a PFS have both been resolved. The remaining risk profile is consistent with a development-stage project at PFS level, not an exploration-stage junior.
Key remaining risk	Strategic partner / financing (MEDIUM+) is the most consequential remaining risk. US$748M is a significant capital requirement for a company of CTL's current size. However, the combination of a 40-year CEOL, 21.2% IRR, and US$959M NPV8 represents a compelling proposition for OEMs, battery manufacturers, and mining majors seeking long-term battery-grade lithium supply. Strategic partner process commenced with a pre-qualified list of interested parties.
Downside protection	The lowest-quartile cost structure (US$5,768/t) provides meaningful protection against lithium price weakness. Even at 80% of the base case price (US$18,000/t), after-tax NPV8 remains US$546M approximately 20x the current market capitalisation. The 40-year CEOL provides contractual protection against political and policy risk. The bear case of 6-8p (FD) requires both sustained low prices AND a Comptroller delay, which at 8.3p the stock is already approaching the upper end of the bear range.

Table 12: Summary of Key Risks and Overall Risk Assessment

Appendix A

CTL —Re-Rating Pathway

There are several key catalysts planned over the next 12-18 months that should materially re-rate the share price and the following valuation bridge is structured to highlight the relative importance of each catalyst, with the strategic partner announcement representing the most significant single step-change in value. Each stage based on the Peer comp multiples, builds sequentially on the previous one, with the partner event assumed to follow CEOL ratification and initial market recognition of the PFS. The uplift associated with this step (+5p FD) is intentionally larger than subsequent increments, reflecting its role in materially reducing the project's principal risk, namely financing, and providing third-party validation of the underlying economics.

Catalyst / Step (each row is cumulative)		Basic shares 204.2M		Fully diluted 407.7M +£8.66M	
Step	Peer anchor / basis	Price	Incr.	Price	Incr.
Current (8.38p — unpriced)	97.7% disc to NPV8 US$959M. 71% disc to peer median US$27.3/t. CEOL agreement and PFS both unpriced.	8.4p	—	6.3p	—
Step 1 — CEOL ratification (Q2 2026)	Conservative floor. Lake Resources (US$10.1/t, delayed) depresses lower bound. LITH CEOL parity US$23.9/t is the ceiling.	15.2p	+6.8p	9.7p	+3.4p
Step 2 — PFS re-rating (near-term — cumulative with Step 1)	LITH CEOL parity. NPV8 US$959M anchor digested. Conservative 12m floor if partner delayed.	26.1p	+10.9p	15.2p	+5.5p

Step 3 — STRATEGIC PARTNER ← PRIMARY RE-RATING EVENT (Q3 2026)	US$35/t — between peer median (US$27.3/t) and Arizaro M&A (US$43/t). Financing risk removed + third-party NPV validation. LARGEST SINGLE STEP (+12.0p basic).	38.1p	+12p	21.2p	+6p
Step 4 — ASX dual listing (H2 2026 — assumes Steps 1–3 done)	Liquidity-driven; new institutional demand cohort. Australian superannuation + ASX resources funds gain access.	43.5p	+5.4p	23.9p	+2.7p
Step 5 — DFS commences (late 2026 — assumes Steps 1–4 done)	AACE Class 4 tightens toward Class 3. Funded Phase 1 US$40M. Approaching Argosy pilot production (US$87.1/t).	48.9p	+5.4p	26.6p	+2.7p
Reference multiples — for context only					
LITH CEOL parity	Most direct CEOL comparable	26p	—	15.1p	—
Arizaro M&A precedent	Dec 2025 LatAm brine M&A	46.8p	—	25.5p	—
Argosy pilot production	LatAm DLE benchmark	94.7p	—	49.6p	—
Millennial Lithium M&A ceiling	2021 funded pre-production	99p	—	51.7p	—

Table 13: Share Price Target Breakdown by Key Catalysts

Appendix B - Lithium Market Outlook

Price Context — A Market in Stronger Recovery Than the Note Implies

The lithium market in 2023–2025 experienced one of the most severe commodity corrections in recent history, with battery-grade lithium carbonate falling approximately 85% from a late-2022 peak of over US$80,000/t to a trough of approximately US$8,300/t in mid-2025. This was driven by a rapid supply build-up due to Australian spodumene and Chinese processing capacity against slower-than-expected demand growth, producing a prolonged surplus that drove project deferrals, write-downs, and M&A across the sector.

The recovery has been sharper and more structural than consensus expected. International seaborne battery-grade lithium carbonate is now trading at approximately US$18,000–20,000/t as at late March 2026, representing a recovery of approximately 120% from the mid-2025 trough and sitting only 11–20% below the Canaccord Genuity long-term base case of US$22,500/t. Chinese domestic futures briefly surged to a two-year high of approximately CNY 180,000/t in late January 2026 before consolidating. The speed of the recovery from trough to near-incentive-price levels in under 12 months underscores the market's sensitivity to supply disruption and the underlying tightness of the demand growth trajectory.

Critically, CTL does not produce until 2031. The relevant investment question is not where prices are today but where they will be across the 2031–2055 production window. At current seaborne spot in excess of US$24,000/t, the market is already higher than the Canaccord base case, a materially different and more constructive backdrop than at any point since 2023.

Supply Disruptions — Structural Not Cyclical

The price recovery is not driven by a single transient factor. It reflects a confluence of structural supply disruptions that are unlikely to be quickly reversed:

Key Supply Disruptions (2025–2026)
Jiangxi Province, China: The Chinese government cancelled 27 mining permits in Jiangxi — China's largest lithium-producing province — removing a significant volume of domestic spodumene and lepidolite supply. The regulatory intent, framed as part of Beijing's anti-involution campaign to rationalise overcapacity, makes rapid reversal unlikely.
CATL Jianxiawo Mine Suspension: CATL suspended operations at its Jianxiawo mine in Jiangxi, one of China's largest integrated lithium operations. Combined with the permit cancellations, the Jiangxi disruptions represent a structural reduction in Chinese domestic production.

Australian Curtailments: Multiple Australian spodumene producers curtailed output in response to the 2023–2025 price environment. Supply response is lagging the recovery, creating a tightening dynamic as restarts require time and capital.

Zimbabwe Export Suspension: Zimbabwe — Africa's largest lithium producer — suspended all lithium concentrate exports in February 2026 after shipping 1.128 million tonnes in 2025, primarily to China. This tightened the seaborne market materially in the near term.

New Project Pipeline Contraction: The 2023–2025 price collapse deferred or cancelled numerous greenfield projects globally. The pipeline of near-term supply additions has contracted materially, reducing the future supply response capacity that would normally cap a price recovery.

Table 14: Lithium Market Key Supply Disruptions

Demand — BESS as the New Structural Driver

The most important structural development in the lithium market is the emergence of Battery Energy Storage Systems (BESS) as a demand driver comparable in growth rate to electric vehicles. BESS now accounts for approximately 23% of lithium demand, up from approximately 15% in 2023. Beijing's doubling of its EV charging capacity target to 180 GW by 2027, combined with mandatory energy storage attachment to new renewable installations, has created a policy-guaranteed demand floor that operates independently of EV adoption rates. Data-centre and AI infrastructure loads in North America are adding 20–30% of annual BESS installations. This demand diversification materially reduces the market's dependency on any single driver and improves long-term demand visibility, a structural shift that was not in place during the 2023–2025 downturn.

Demand Segment	Est. 2025 Share	Est. 2028 Share	Est. 2035	Key Driver
Electric Vehicles (BEV + PHEV)	~62%	~58%	~55%	Consumer EV adoption; global OEM mandates; 42% EV share by 2030
Battery Energy Storage (BESS)	~23%	~30%	~35%	Policy-mandated; AI/data-centre power; grid stabilisation — fastest growing segment
Industrial / Other	~15%	~12%	~10%	Consumer electronics; industrial batteries; declining share
Total LCE Demand (est.)	~1.0 Mt	~1.8 Mt	3.1 Mt	Canaccord Genuity forecast; 15–20% CAGR through 2030

Table 15: Lithium demand by Sector

Supply-Demand Balance & Price Trajectory

The rebalancing is underway. S&P Global projects the global lithium carbonate surplus to narrow from approximately 141,000 tonnes LCE in 2025 to approximately 109,000 tonnes in 2026, the first meaningful contraction following three years of oversupply with further tightening toward balance by 2027. Fastmarkets projects the market moving toward a deficit of approximately 1,500 tonnes LCE by 2026. The 2026 sell-side central case price range is approximately US$18,000–22,000/t internationally, lower than the current seaborne spot. Longer-term incentive pricing, the level required to justify new greenfield DLE development capital, is generally cited at US$20,000–25,000/t. The Canaccord Genuity long-term deck which has recently risen from US$22,500/t to US$23,500/t from 2030 and sits squarely within this incentive price range and just below the current seaborne spot, now represents a conservative and increasingly defensible base case for a project with a 2031 production start.

Chile's Role in the Global Supply Picture

Chile holds the world's largest lithium reserves and is the second-largest producer globally. Its National Lithium Strategy explicitly positions the country as a premium-quality, ESG-compliant supplier for battery manufacturers and OEMs who increasingly require provenance transparency and sustainability credentials. The strategy's focus on DLE technology and state participation through the CEOL framework is designed to differentiate Chilean supply with higher recovery rates, lower environmental footprint, shorter development lead times from legacy evaporation pond operations in the Atacama and elsewhere.

CTL's DLE model, with brine reinjection, minimal water consumption, no evaporation ponds, and a deep indigenous community co-design process, is precisely aligned with the direction of Chile's regulatory environment and the ESG requirements of European, Japanese, Korean, and US offtake partners. The 40-year CEOL, with its explicit community contribution and sustainable development mechanisms, embeds ESG compliance into the project's financial structure from the outset, a feature that is increasingly material to the availability and cost of development capital, and a genuine competitive differentiator for CTL versus higher-footprint peers.

Appendix C — DLE Technology

Overview

Direct Lithium Extraction (DLE) refers to a family of technologies, including adsorption, ion exchange, and solvent extraction — that selectively capture lithium ions directly from brine before stripping and precipitation into lithium carbonate or hydroxide. The defining advantage over traditional solar evaporation is selectivity: DLE targets lithium specifically, leaving the bulk of the brine chemistry intact and enabling reinjection into the aquifer. This translates into substantially faster production cycles (weeks rather than 12–18 months for evaporation), higher recoveries from moderate-grade brines, significantly reduced land use, and the elimination of large-scale evaporation ponds.

For Chile specifically, these characteristics are not merely commercial advantages, they are regulatory prerequisites. Chile's National Lithium Strategy explicitly requires DLE-based processing for all new CEOLs, reflecting the government's commitment to environmentally responsible development of its lithium resources. Brine reinjection to maintain aquifer balance, minimal surface disturbance, and low

freshwater consumption are all embedded in the CEOL framework. CTL's DLE-based approach is therefore not a technology choice but a structural alignment with the only permissible development pathway in Chile.

Type	Mechanism	Recovery	Selectivity	Maturity	Best Suited For
Adsorption (CTL/Lanshen)	Alumina or TiO_2 adsorbent selectively captures Li^+ in fixed columns; desorbed with dilute acid	High (88–92%)	Very high — excellent Mg/Li selectivity	Commercial (proven in China)	Moderate-concentration brines; volcanic-hosted systems like Laguna Verde
Ion Exchange	Resin selectively captures Li^+; regenerated with brine or eluent	High (85–92%)	High — good selectivity across most cation types	Commercial (Lilac, SLB)	Wide brine chemistry range; proven across multiple lithologies
Solvent Extraction	Organic solvent selectively partitions Li^+; stripped into aqueous phase	Moderate–high	Moderate — Mg co-extraction can be an issue	Pilot–early commercial	High-salinity, low-volume brines; selective extraction from complex matrices
Membrane (EnergyX)	Li-selective membrane allows Li^+ transport while rejecting larger ions	High (potential)	Very high — molecular-level selectivity	Development stage	Next generation; not yet at commercial scale
Solar Evaporation (legacy)	Concentration of brine in large evaporation ponds over 12–18 months	Moderate (40–65%)	Low — requires high-grade brine (Atacama)	Mature — widely deployed	High-grade, low-Mg brines (Atacama); not viable in Chile under new CEOL rules

Table 16: Comparative Overview of DLE Technology Types Note: CTL's PFS uses Lanshen adsorption DLE (highlighted blue). Solar evaporation (grey) is not permissible under Chile's CEOL framework for new projects.

Lanshen Adsorption System — CTL's PFS Technology

Lanshen's alumina-based adsorption DLE is the most commercially deployed DLE adsorbent type globally, with a growing track record of commercial-scale installations in China. The process operates through a fixed-column carousel system: feed brine passes through columns packed with the alumina

adsorbent, lithium ions are selectively adsorbed, and the loaded columns are then washed and desorbed using dilute acid to produce a lithium-rich eluate. The carousel arrangement ensures continuous operation — while some columns are in adsorption mode, others are being washed or desorbed, maintaining constant throughput.

CTL's pilot plant at Copiapó — designed for up to one tonne per month of Li_2CO_3 — was commissioned in early 2024 and operated using real Laguna Verde brine rather than synthetic feed, ensuring that the results are site-specific and directly applicable to the commercial design. The pilot confirmed the following performance metrics:

Performance Metric	CTL Pilot Result	Commentary
DLE lithium recovery	90.0%	Adsorption onto alumina adsorbent; desorption to dilute LiCl eluate
LiCl plant total recovery	88.6%	DLE (90%) + membranes (RO/NF/ED) + ion exchange
Copiapó carbonate plant recovery	96.5%	Soda ash carbonation including mother-liquor recovery circuit
Global end-to-end recovery	85.5%	LiCl plant (88.6%) × carbonate plant (96.5%)
Li concentration upgrade	3.6×	Feed brine 197 mg/L → eluate 710 mg/L → concentrated 2,194 mg/L
Battery-grade Li_2CO_3 purity	99.78%	Independently verified by Dorfner Anzaplan, Germany (January 2025)
Na rejection	100%	Key impurity — fully removed in DLE and polishing stages
K rejection	100%	Potassium — fully removed
Mg rejection	98.8%	Magnesium — highly effective removal reduces downstream reagent load
Ca rejection	99.7%	Calcium — near-complete removal

Table 17: Pilot Plant Performance — Laguna Verde Brine (verified January 2025)

The modular Lanshen design is a significant commercial advantage. The PFS plant is configured with 30 adsorption columns and is scalable in 5,000 tpa increments, meaning that expansion at Laguna Verde (from 15,000 tpa toward a larger nameplate) or integration with Viento Andino using the same downstream Copiapó carbonation plant can be achieved by adding modular trains rather than rebuilding the core process. This modularity also reduces single-point risk: a failure in one column set does not halt the entire plant.

Laguna Verde → Copiapó: How the Process Works
Step 1 — Brine Extraction (Laguna Verde, 4,300m): 36 vertical production wells (400m depth, screened 200–400m) extract brine at 498–540 L/s. Feed brine pre-treated to remove suspended solids before DLE processing. Step 2 — DLE Adsorption (Laguna Verde): Feed brine passes through 30 Lanshen alumina adsorption columns in a carousel system. Lithium selectively captured; column washed; lithium desorbed with dilute acid to produce a dilute LiCl eluate (710 mg/L Li). 90.0% recovery at this stage. Step 3 — Concentration & Purification (Laguna Verde): LiCl eluate concentrated through staged membrane circuit: reverse osmosis (RO), nanofiltration (NF), and electrodialysis (ED). Ion exchange for final impurity polishing. Produces 5.88% LiCl solution (2,194 mg/L Li). Total LiCl plant recovery: 88.6%. Step 4 — Transport (Laguna Verde → Copiapó): Concentrated LiCl solution loaded into road tankers at Laguna Verde. Transported ~265km to Copiapó via Route 31. Depleted brine and process effluents reinjected into the basin aquifer. Step 5 — Carbonation (Copiapó, ~365m): LiCl solution converted to battery-grade Li_2CO_3 via soda ash (Na_2CO_3) carbonation at ~85°C. Solid-liquid separation, hot washing, drying, micronising, and packaging. Mother-liquor circuit recovers residual lithium. Recovery: 96.5%. Final purity: 99.78%.

Table 18: The Two-Site Process — From Brine to Battery Grade

Figure 9: Transport Routes Between Routes between LiCl Plant (LV) to LC Plant (Copiapó) via Route 31 and LC Plant (Copiapó) to Angamos Port.

DuPont Water Solutions Nanofiltration Collaboration

In addition to the core Lanshen DLE system, CTL is evaluating DuPont Water Solutions nanofiltration membrane technology as a complementary upstream concentration step. Nanofiltration membranes selectively reject divalent ions (Mg^{2+}, SO_4^{2-}) while allowing monovalent ions (Li^+, Na^+) to pass. Applied upstream of the DLE adsorption columns, this has the potential to improve the Li:Mg ratio of the feed brine entering the adsorbent — reducing the impurity load on the adsorbent, extending its working life, and reducing the reagent consumption required for impurity removal downstream.

This collaboration is not reflected in the PFS base case OPEX of US$5,768/t. Positive results at DFS stage could provide a further reduction to the already lowest-quartile cost structure — representing potential additional downside protection to the economics rather than a risk. Results are expected ahead of DFS commencement.

Commercial DLE Benchmarks

The table below places CTL's DLE programme in the context of the most relevant commercial and near-commercial DLE projects globally. The most directly significant is Eramet's Centenario project in Argentina — the first large-scale adsorption DLE commissioning in Latin America — which provides direct technology validation for the approach CTL is using at Laguna Verde.

Project / Company	Location	Technology	Status	Notes
Eramet / Centenario	Argentina	Adsorption DLE	Commissioning 2024–25	Commercial DLE benchmark. 24 ktpa — first large-scale DLE commissioning in Latin America. Validates adsorption DLE at commercial scale. Most directly relevant technology precedent for CTL.
CTL / Laguna Verde	Chile	Lanshen adsorption (alumina-based)	Pilot (1 t/mo Li_2CO_3)	99.78% purity from real LV brine confirmed. 88.6% LiCl plant recovery. 3.6× Li upgrade. PFS-grade engineering study complete (Worley, 31 March 2026). Only DLE project in Chile.
Lilac Solutions / Kachi (Lake Resources)	Argentina	Ion exchange DLE	Pilot / development	Ion exchange DLE type comparator. Lake Resources partnership. PFS completed 2024. Provides read-across for DLE performance on Argentine brine chemistry.
EnergyX	Various	Proprietary Li-ion transport membrane	Pilot / development	Next-generation membrane technology. Molecular-level Li selectivity. Development stage — not yet commercial. Longer-term technology optionality; not a near-term CTL comparator.

SLB NeoLith / Salton Sea	USA	Adsorption DLE	Pilot	US domestic DLE development. Benefits from IRA incentives. Different market and brine chemistry but adsorption technology comparator. Demonstrates broadening of DLE application globally.

Table 19: Commercial DLE Benchmarks

The commissioning of Eramet/Centenario at 24 ktpa is the single most important external data point for CTL's DLE risk assessment. It demonstrates that adsorption-based DLE can be deployed at commercial scale in Latin American brine conditions, with recoveries, purity, and process stability broadly consistent with pilot-scale projections. This is the technology precedent that was absent from the investment case 18 months ago and is now established.

Appendix E - ESG, Community Engagement & Permitting

CleanTech Lithium's ESG credentials are not peripheral to the investment case, they are central to it. Under Chile's National Lithium Strategy, environmental and social standards are embedded in the CEOL framework itself: DLE with brine reinjection is mandated, indigenous community consultation is a prerequisite for CEOL eligibility, and social contribution mechanisms are written into the contract's financial terms. For CTL, ESG compliance is not an add-on to the development model. it is the development model.

This alignment has practical commercial consequences. OEMs, battery manufacturers, and trading houses increasingly require provenance transparency and sustainability credentials from their lithium supply chain. European battery regulation (EU Battery Regulation 2023/1542) and US IRA supply chain requirements are driving this as a hard procurement criterion rather than a soft preference. CTL's Chilean DLE model, with reinjection, no evaporation ponds, and co-designed community engagement is precisely the supply profile these buyers are seeking. The ESG positioning therefore directly supports the CF&Co partner process and the long-term offtake negotiations that follow.

Why DLE is Fundamentally Environmentally Superior to Legacy Evaporation Ponds
Water: Solar evaporation loses approximately 95% of extracted brine water to evaporation. CTL's DLE process reinjects all depleted brine and process effluents into the basin aquifer, maintaining hydraulic balance. Net freshwater consumption at the Laguna Verde site is approximately 160,800 m^3/yr — sourced from surface flows and groundwater, not the lithium aquifer. Land Use: Large-scale evaporation ponds typically require 50-200 km^2 of salar surface. CTL's plant footprint at Laguna Verde is a fraction of this — the two-site design concentrates the surface-intensity operations at Copiapó rather than the ecologically sensitive high-altitude salar. Production Speed: Evaporation ponds require 12-18 months of concentration before lithium can be harvested. DLE cycles complete in hours to days, enabling faster and more responsive production. This also means lower in-process inventory and reduced working capital requirements. Aquifer Preservation: Reinjection of depleted brine maintains aquifer pressure and lithium concentration gradients over the 25-year mine life. This is both an environmental advantage and a project risk mitigant — aquifer depletion is the primary long-term operational risk for legacy evaporation pond operations. Regulatory Alignment: Chile's CEOL framework explicitly requires DLE-based processing for all new projects. Solar evaporation is not permissible for new CEOL holders. CTL's DLE approach is not a choice — it is the only regulatory pathway available, and it is the right one.

Table 20: Environmental Advantages — DLE vs Legacy Evaporation

Community Engagement — Chile's Most Advanced Indigenous Co-Design Model

Laguna Verde is the first lithium project in Chile to be co-designed with the Colla indigenous communities from the outset. This is not a compliance exercise — it is a genuine participatory model that CTL initiated before any regulatory requirement to do so, and which has been sustained across multiple years and all project phases. The communities most directly engaged are the Colla Pai-Ote, Río Jorquera, and Pastos Grandes, whose traditional territories span the transport corridors and highland zones surrounding the project area.

A formal alliance was signed with these communities in December 2023 — well in advance of the CEOL application and EIA submission. This alliance established a joint working group with shared governance over the project-community interface, including transparent decision pathways on land access, transport routes, and wildlife corridors. Three formal community support letters were submitted with the CEOL application. There have been zero community opposition events or conflict incidents since the project commenced.

Co-Design	Community Participation	Governance
First lithium project in Chile co-designed with indigenous communities	Community participation in environmental baseline surveys	Formal joint working group overseeing project-community interface
Historic alliance (December 2023) with Colla Pai-Ote, Río Jorquera, and Pastos Grandes	Co-authorship of EIA chapters (human environment, flora and fauna)	Transparent decision pathways for land access, transport, and wildlife corridors
Communities shape project design from the outset — risks, opportunities, and cultural priorities jointly identified	Direct involvement in CEOL-related consultations and joint monitoring (biodiversity, land access, water use)	Shared review of impact-mitigation measures; commitment to minimised on-site footprint
Creates shared ownership over the long-term development model	Continuous dialogue mechanisms embedded in project workflow	Governance structure designed to endure across full project life-cycle

Table 21: Co-Design, Participation & Governance Framework

Community Engagement — Evidence to Date
Formal letter to the Chilean Minister of Mining (March 2024) from Colla Pai-Ote explicitly supporting CTL's CEOL application — a rare and meaningful public endorsement Public endorsement from ancestral authorities for CTL's early-consultation model — cited in the CEOL application and acknowledged by the Ministry CTL's Board has been hosted on-site by communities at the project area — a level of community-management engagement that goes beyond standard industry practice Zero community opposition events, protests, or conflict incidents since project commencement in 2021 Active initiatives: community-led environmental monitoring; training and capacity-building in environmental baselining; employment pathways for Colla youth in fieldwork and project operations; cultural-heritage documentation and traditional land-use mapping Universidad de Atacama partnership: employment and local skills strategy developed in partnership with the regional university, creating a pipeline of locally trained workers for operations at Copiapó

Table 22: Evidence of Support and Current Initiatives

Post-CEOL Community Commitments

The CEOL framework embeds formal community commitments into CTL's financial obligations — these are contractual, not aspirational. The ad valorem royalty structure includes a dedicated 0.4% of gross revenue contribution to designated indigenous communities (quarterly payments), separate from the local government contribution (0.4% to the Atacama Regional Government and municipalities). CTL has additionally committed to establishing a dedicated Community Development Fund post-ratification, with long-term benefit sharing tied directly to the production profile over the 25-year life of mine.

Community Development Fund: dedicated post-CEOL fund for long-term benefit sharing aligned with production milestones

Support for pastoral mobility corridors: protection of traditional Colla livestock routes that traverse the project area

Wildlife preservation: joint biodiversity monitoring and management programmes

Health, education, and emergency infrastructure: investment in high-altitude community services in zones where state infrastructure is limited

Permitting Roadmap from CEOL to FID

The permitting pathway from CEOL to construction is well-defined and has no novel regulatory risks. The key remaining steps are the Environmental Impact Assessment (EIA) submission and SEIA review, which run in parallel with the DFS and financing process. The critical path for FID 2028 requires RCA (environmental approval) by approximately mid-2027.

Timeline	Milestone	Commentary
H1 2026	EIA Submission	EIA submission programmed H1 2026. Advanced pre-EIA baseline studies completed with MYMA (environmental consultants) 2022/23. Community co-authorship of human environment and ecology chapters reduces re-work risk.
2026-2027	SEIA Review	Chile's Sistema de Evaluación de Impacto Ambiental (SEIA) review typically 18-24 months. New Kast government (March 2026) has explicitly prioritised expedited permitting. No fatal EIA flaws identified at PFS stage.
Mid-2027	RCA Approval (target)	Resolution of Environmental Qualification (RCA) — required before construction. Needed by approximately mid-2027 to preserve FID 2028 timeline.

2027-2028	DFS + Financing	DFS and project financing structuring run in parallel with SEIA review. Strategic partner (CF&Co process) needed to fund DFS. FID 2028 conditioned on RCA and DFS completion.
2028	FID	Final Investment Decision — conditioned on: RCA approval, DFS completion, financing package secured, and CEOL Comptroller ratification (already underway).
2029-2030	Construction	Two-year construction period. 35%/65% CAPEX split 2029/2030. 600-person construction camp at Laguna Verde salar site. Copiapó plant in lower-risk urban environment.
2031	First Production	Commercial production commences. Ramp-up to full 15,000 tpa by Month 6. Battery-grade product to market.

Table 23: Permitting Timeline and Milestones from CEOL to FID

Key Environmental Regulatory Facts

Laguna Verde is NOT located within SNASPE protected areas. The nearest National Park (Nevado Tres Cruces) is approximately 30km away.

The project is located within a Zone of Tourist Interest (ZOIT) — exploration activities have been designed to minimise impacts; this does not prevent development.

Advanced pre-EIA environmental baseline studies were completed with MYMA (environmental consultants) in 2022/23, providing two-plus years of baseline data ahead of EIA submission — above the one-year minimum typically required.

A VAT refund of £1M was approved and paid by the Chilean Ministry of Economy — a practical signal of government support for the project at the highest bureaucratic level.

DLE with brine reinjection eliminates the evaporative loss concern that has been the primary environmental flashpoint for legacy Atacama operations (SQM and Albemarle both faced significant community and regulatory pressure over aquifer depletion).

ESG as an Investment Case Component

ESG credentials are increasingly a quantifiable factor in the cost and availability of development capital, not merely a reputational consideration. Project finance lenders applying IFC Performance Standards, European export credit agencies, and Korean/Japanese strategic investors operating under their own sustainability frameworks all require demonstrable community engagement, environmental baseline data, and regulatory compliance before committing capital. CTL's three-year co-design process with the Colla communities, its comprehensive pre-EIA baseline dataset, and its DLE technology selection are precisely the evidence base these counterparties require.

The EU Battery Regulation (effective from 2026 for certain battery categories) requires that battery manufacturers demonstrate compliance with due diligence obligations across the supply chain, including environmental and human rights standards at the extraction stage. A Chilean CEOL holder using DLE with indigenous community co-design with contractual social contribution mechanisms embedded in the operating licence is structurally better placed to meet these requirements than a higher-footprint Argentine or Bolivian evaporation-based producer. This is a genuine competitive differentiator for offtake negotiations, particularly with European cathode producers and OEMs.

We do not separately quantify an ESG premium in our valuation. However, we note that the ESG positioning directly supports three value-relevant outcomes: a smoother and faster EIA/permitting pathway (reducing timeline risk to FID 2028), greater attractiveness to strategic partners and project finance lenders (reducing financing risk), and better access to premium-priced offtake contracts with ESG-screened buyers (supporting the Canaccord US$22,500/t long-term price deck assumption).

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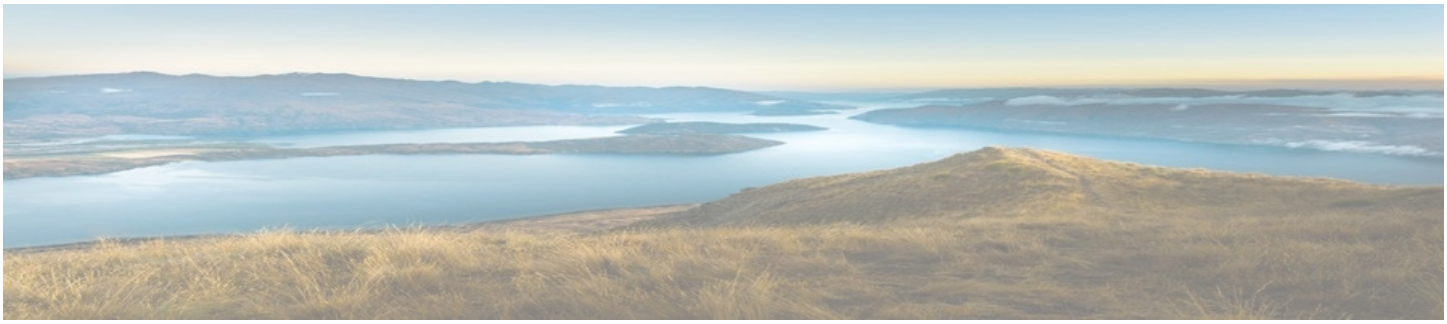

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