



25 September 2023

## **Clontarf Energy plc ("Clontarf" or the "Company")**

### **Interim Statement for the period ended 30 June 2023**

Clontarf Energy plc (AIM: CLON), the energy company focused on Australia, Africa and Bolivia, announces its unaudited financial results for the six months ended 30 June 2023:

#### **Highlights**

- Formation of a comprehensive joint venture with breakthrough Direct Lithium Extraction ("DLE") technology developers NEXT-ChemX (the "JV").
- Brine samples from five priority salares provided by the Bolivian State Lithium Company for testing.
- All samples successfully navigated the US Customs checks without setbacks.
- The JV's pilot plant components have now largely been assembled at sub-contractor facilities.
- Technical improvements including development and perfection of state-of-the-art German-engineered sensors, to improve performance.
- Pilot plant construction, including assembly of innovative components, will shortly be underway in Texas, after which testing will begin.
- Subject to test results and Bolivian laws, Clontarf plans to run large-scale production testing to fine-tune the process.
- Under applicable laws, the JV is ready to construct mobile pilot plants to process brines at different salares in Bolivia and neighbouring countries.
- Clontarf has been invited to participate in European Union initiatives to deliver battery-grade lithium salts to European automotive, grid storage and mobile electronics industries.
- The Bolivian authorities have adopted the suggestion to conduct a bid-round on medium-sized salares, certain of which Clontarf has reviewed and sampled.
- Ratification discussions on Tano 2A block with Ghanaian authorities continue – though the authorities have sought to re-negotiate (to their benefit) at the acreage and fiscal terms previously agreed. A new realism seems evident.
- Further Australian drill targets are under consideration, especially for gas to serve the dynamic liquified natural gas ("LNG") market.

## Chairman's Statement

Recent months have witnessed accelerated field-work on several fronts:

Clontarf teams have conducted further site-visits, sampling and related geological work to deepen our understanding of opportunities and challenges offered by the development of Direct Lithium Extraction technologies.

Our primary focus has been working with the Bolivian authorities, in accordance with applicable laws. This covers both our work on Direct Lithium Extraction technologies, in joint venture with NEXT-ChemX, as well as Clontarf's proposals to explore and develop medium-sized salares. The Bolivian authorities have now confirmed their plan to run a bid-round, as required by law and proper governance, on these high-potential though under-explored salt-lakes. This reflects a vision to develop the world's greatest lithium resource as soon as feasible, to benefit local communities, the authorities, as well as our partners, customers and the road to energy transition.

Our JV partners have completed financings and sub-contractor supply agreements on long-lead time and scarce components. Some components are being enhanced in order to serve anticipated as well as current customer needs. Remaining elements are being shipped to site for final assembly, commissioning and testing.

This progress has brought us to the attention of the EU Commission, as well as State-backed initiatives in Britain and the USA. Clontarf has been invited to participate in a drive to explore and develop lithium and other strategic minerals in northern Argentina, and possibly other jurisdictions. We believe that such timely initiatives may open larger and lower cost sources of equity and debt financings. This would cut our cost of capital and open many new opportunities for value added and expansion.

Subject to applicable laws, Clontarf has offered to participate in a Bolivian Lithium opportunity in partnership with YLB using DLE technology being developed by our technical partner, Next ChemX Corporation.

Every brine is different, and we must ensure that the processing parameters are compatible with the quantity, quality and other parameters of the minerals that are present in the particular brine. This is necessary in order to complete the design of the larger commercial pilot plant specifically made for the selected Bolivian brines.

With all necessary permits, we plan to collect and process larger samples for pilot plant testing, including kinetics calculations, flow-rates, etc.

The NEXT-ChemX process works directly from the brine, and after a quick filtering to ensure there are no solids or debris in the brine we feed into our system. We normally produce pure Lithium Chloride, which we can then convert to battery grade  $\text{Li}_2\text{CO}_3$  or  $\text{LiOH}$  - or possibly Lithium metal for solid state lithium batteries.

This pilot plant testing will enable fine tuning of the process, and determine recovery parameters, as well as operating cost numbers applicable for different brine samples.

This work will help optimise output, demonstrating the effectiveness of the Next ChemX technology and determining throughput and recovery expected at in-situ pilot plants in South America, and possibly elsewhere.

The mobile pilot plant will ideally run for 4 and 6 months, to assess the potential of that location, after which the mobile pilot plant can then be moved and reassembled at another salar. This approach will enable customising of the DLE process for a variety of brine grades and chemistries.

The Clontarf JV, in conjunction with the authorities, under applicable laws, plans to build a full scale processing plant of an agreed capacity to extract production tonnages of Lithium Carbonate, or other desired form of Lithium. We would also assess the viability for the recovery of calcium, magnesium, and potassium chlorides at each location showing attractive flow volumes and recoverable grade. The overall capacity will be scalable via deployment of modular units over a period of months to years.

Each plant can be upgraded to produce value added production, i.e. lithium chloride to lithium carbonate, lithium hydroxide and, if feasible, lithium metal. A similar approach to boosting value added will be implemented for other, economic non-lithium minerals, such as magnesium and potassium.

In oil and gas, the tightening hydrocarbons' supply-demand balance promises a long-overdue revival of exploration and the farm-out market. Shortages of piped gas and LNG feedstock have strengthened long-term prices. The centrality of LNG to fuel any energy transition in Europe and Asia has now been broadly accepted – except for fringe elements – and even by previous sceptics. There can be no reliance on intermittent renewables generation without reliable back-up.

The resurgence of interest in African exploration and development may lead to additional proposals in the coming months. Clontarf continues to insist on strict adherence to our ESG standards.

Clontarf therefore progresses its interests in Bolivia, Australia, Chad and Ghana, maintaining cordial communications with the relevant authorities, and continues to operate efficiently on minimal expenditure.

## **Funding**

Subject to technical verification of its exploration projects, and permitting, Clontarf is confident of securing adequate funding, whether in London or Australia, for near to medium term ongoing activities.

We set out to reduce political and geological risks.

Fortune favours the brave. The best is yet to come.

**David Horgan**  
**Chairman**  
**22<sup>nd</sup> September 2023**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**ENDS**

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Six Months Ended		Year Ended
	30 June 23 unaudited £'000	30 June 22 unaudited £'000	31 Dec 22 audited £'000
Administrative expenses	(288)	(414)	(672)
Impairment of exploration and evaluation assets	-	(4,095)	(4,095)
<b>LOSS BEFORE TAXATION</b>	(288)	(4,509)	(4,767)
Income Tax	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	(288)	(4,509)	(4,767)
<b>LOSS PER SHARE - basic and diluted</b>	(0.01p)	(0.34p)	(0.26p)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	30 June 23 unaudited £'000	30 June 22 unaudited £'000	31 Dec 22 audited £'000
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,756	868	868
	1,756	868	868
<b>CURRENT ASSETS</b>			
Other receivables	-	1	-
Cash and cash equivalents	381	188	932
	381	189	932
<b>TOTAL ASSETS</b>	2,137	1,057	1,800
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other liabilities	(1,512)	(2,088)	(3,027)
	(1,512)	(2,088)	(3,027)
<b>TOTAL LIABILITIES</b>	(1,512)	(2,088)	(3,027)
<b>NET ASSETS / (LIABILITIES)</b>	625	(1,031)	(1,227)
<b>EQUITY</b>			
Called-up share capital	6,209	5,927	5,927
Share premium	12,737	10,985	10,985
Share based payment reserve	354	186	248
Retained deficit	(18,675)	(18,129)	(18,387)
<b>TOTAL EQUITY</b>	625	(1,031)	(1,227)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called-up Share Capital £'000	Share Premium £'000	Share based Payment Reserves £'000	Retained Deficit £'000	Total £'000
<b>As at 1 January 2022</b>	2,177	10,985	186	(13,620)	(272)
Shares issued	3,750	-	-	-	3,750
Total comprehensive income	-	-	-	(4,509)	(4,509)
<b>As at 30 June 2022</b>	5,927	10,985	186	(18,129)	(1,031)
Share based payment charge	-	-	62	-	62
Total comprehensive income	-	-	-	(258)	(258)
<b>As at 31 December 2022</b>	5,927	10,985	248	(18,387)	(1,227)
Shares issued	282	1,849	-	-	2,131
Share issue expenses	-	(97)	-	-	(97)
Share based payment charge	-	-	106	-	106
Total comprehensive income	-	-	-	(288)	(288)
<b>As at 30 June 2023</b>	6,209	12,737	354	(18,675)	625

## CONDENSED CONSOLIDATED CASH FLOW

	Six Months Ended		Year Ended
	30 June 23	30 June 22	31 Dec 22
	unaudited	unaudited	audited
	£'000	£'000	£'000
<b>CASH FLOW USED IN OPERATING ACTIVITIES</b>			
<b>Loss for the period</b>	(288)	(4,509)	(4,767)
Impairment of exploration and evaluation assets	-	4,095	4,095
Share based payment charge	106	-	62
Exchange movements	2	1	3
	(180)	(413)	(607)
<b>Movements in working capital</b>			
Decrease in other receivables	-	2	2
(Decrease)/Increase in trade and other payables	(1,516)	601	1,541
	(1,516)	603	1,543
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(1,696)	190	936
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Payments for intangible assets	(406)	(4,095)	(4,095)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(406)	(4,095)	(4,095)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares	1,650	3,750	3,750
Share issue expenses	(97)	-	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	1,553	3,750	3,750
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(549)	(155)	591
Cash and cash equivalents at beginning of the period	932	344	344
Exchange loss on cash and cash equivalents	(2)	(1)	(3)
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	381	188	932

## Notes:

### 1. INFORMATION

The financial information for the six months ended 30 June 2023 and the comparative amounts for the six months ended 30 June 2022 are unaudited. The financial information above does not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Interim Financial Report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the U.K. The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the Group 2022 Annual Report, which is available at [www.clontarfenergy.com](http://www.clontarfenergy.com)

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

### 2. DIVIDEND

No dividend is proposed in respect of the period.

### 3. GOING CONCERN

The Group incurred a loss for the period of £288,472 (2022: £4,766,646) and had net current liabilities of £1,130,220 (2022: £2,094,612) at the balance sheet date. These conditions, as well as those noted below, represent a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

Included in current liabilities is an amount of £1,450,565 (2022: £1,525,565) owed in respect of Directors' remuneration due at the balance sheet date. The Directors have confirmed that they will not seek settlement of these amounts in cash until after the end of 2024.

The Group had a cash balance of £381,420 (2022: £931,902) at the balance sheet date. As the Group is not revenue or cash generating it relies on raising capital from the public market. On 16 January 2023 the Group raised £1,300,000 on a placing and a further £350,000 on 1 June 2023. Further information is detailed in Note 7 below.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

### 4. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share ("EPS"):

	Six Months Ended		Year Ended
	30 June 23	30 June 22	31 Dec 22
	£'000	£'000	£'000
Loss for the year attributable to equity holders	(288)	(4,509)	(4,767)
<b>Denominator</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
For basic and diluted EPS	4,385,660,371	1,328,908,309	1,856,031,596
Basic and diluted EPS	(0.01p)	(0.34p)	(0.26p)

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

## 5. INTANGIBLE ASSETS

	30 June 23 £'000	30 June 22 £'000	31 Dec 22 £'000
<b>Exploration and evaluation assets</b>			
<b>Cost:</b>			
At 1 January	12,735	8,640	8,640
Additions	888	4,095	4,095
<b>Closing Balance</b>	<b>13,623</b>	<b>12,735</b>	<b>12,735</b>
<b>Impairment:</b>			
At 1 January	11,867	7,772	7,772
Provision for impairment	-	4,095	4,095
<b>Closing Balance</b>	<b>11,867</b>	<b>11,867</b>	<b>11,867</b>
<b>Carrying value:</b>			
<b>At 1 January</b>	<b>868</b>	<b>868</b>	<b>868</b>
<b>At period end</b>	<b>1,756</b>	<b>868</b>	<b>868</b>
<b>Regional Analysis</b>			
	<b>30 Jun 23 £'000</b>	<b>30 Jun 22 £'000</b>	<b>31 Dec22 £'000</b>
Bolivia – Investment in JV	888	-	-
Ghana	868	868	868
	<b>1,756</b>	<b>868</b>	<b>868</b>

Exploration and evaluation assets relate to expenditure incurred in prospecting and exploration for lithium, oil and gas in Bolivia and Ghana. The Directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalised exploration and evaluation assets.

During 2018 the Group resolved the outstanding issues with the Ghana National Petroleum Company (“GNPC”) regarding a contract for the development of the Tano 2A Block. The Group has signed a Petroleum Agreement in relation to the block and this agreement awaits ratification by the Ghanaian government.

The Company is in negotiations with the Vice-Ministry of Electrical Technologies and the State Lithium Company in Bolivia on exploration and development of salt-lakes in accordance with law. Samples have been analysed and process work is underway.

On 15 February 2023 the Company announced a heads of agreement around the potential formation of a 50:50 Joint Venture with US based, OTC Markets traded, technology company, NEXT-ChemX Corporation (“NCX”) covering testing, marketing, and deploying of NCX’s proprietary (patent pending) direct lithium ion extraction (“DLE”) technology in Bolivia. Formation of the JV was subject to final due diligence and the parties entering into formal documentation.

On 5 May 2023 the Company announced that all conditions precedent had been satisfied with respect to the JV with NEXT-ChemX coming into force. In this regard, Clontarf paid NEXT-ChemX Corporation US\$500,000 and has issued to NEXT-ChemX 385 million new Ordinary Shares in the capital of Clontarf of which half are subject to a 12-month lock in requirement.

The Directors believe that there were no facts or circumstances indicating that the carrying value of intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the Directors. The realisation of these intangibles assets is dependent on the successful discovery and development of



economic deposit resources and the ability of the Group to raise sufficient finance to develop the projects. It is subject to a number of potential significant risks, as set out below.

The Group's activities are subject to a number of significant potential risks including:

- licence obligations;
- exchange rate risks;
- uncertainties over development and operational costs;
- political and legal risks, including agreements with Governments for licences, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- title to assets;
- financial risk management;
- going concern; and
- ability to raise finance.

## 6. TRADE AND OTHER PAYABLES

	30 June 23	30 June 22	31 Dec 22
	£'000	£'000	£'000
Creditor – Western Gas	-	550	553
Trade payables	35	48	57
Other payables	1,451	1,480	1,526
Cash received in advance of share placing	-	-	870
Related parties	13	-	5
Other accruals	12	10	16
	<b>1,511</b>	<b>2,088</b>	<b>3,027</b>

Other payables relate to amounts due to Directors and a former Director for remuneration accrued but not paid at period end.

## 7. SHARE CAPITAL

### Deferred Shares – nominal value of 0.24p

	Number	Share Capital £'000	Share Premium £'000
At 1 January 2022	-	-	-
<b>At 30 June 2022</b>	-	-	-
Transfer from ordinary shares	2,370,826,117	5,690	-
<b>At 31 December 2022 and 30 June 2023</b>	<b>2,370,826,117</b>	<b>5,690</b>	-

### Ordinary Shares – nominal value of 0.01p

#### Allotted, called-up and fully paid:

	Number	Share Capital £'000	Share Premium £'000
At 1 January 2022	870,826,117	2,177	10,985
Issued during the period	1,500,000,000	3,750	-
<b>At 30 June 2022</b>	<b>2,370,826,117</b>	<b>5,927</b>	<b>10,985</b>
Transfer to deferred shares		(5,690)	-
<b>At 31 December 2022</b>	<b>2,370,826,117</b>	<b>237</b>	<b>10,985</b>
Issued during the period	2,822,500,000	282	1,849
Share issue expenses	-	-	(97)
<b>At 30 June 2023</b>	<b>5,193,326,117</b>	<b>519</b>	<b>12,737</b>

On 4 August 2022 the 2,370,826,117 issued ordinary shares of 0.25p each were subdivided via ordinary resolution into 2,370,826,117 ordinary shares of 0.01p each and 2,370,826,117 deferred shares of 0.24p each.

### Movements in issued share capital

On 16 January 2023 the Company raised £1,300,000 via a placing of 2 billion new ordinary shares of 0.01p each, via several Australian based brokers, at a price of 0.065p per share. In connection with the placing 97,500,000 warrants were issued to the brokers involved in the placing. Further information is detailed in Note 8 below. The proceeds were used to advance the Company's lithium projects in Bolivia, and petroleum projects in Ghana, Australia, and elsewhere.

On 5 May 2023 as part of the Joint Venture agreement with NEXT-ChemX the Company issued 385 million ordinary shares of 0.01p each at a price of 0.125p to NEXT-ChemX. Further information is detailed in Note 5 above.

On 1 June 2023 the Company raised £350,000 via a placing of 437,500,000 ordinary shares of 0.01p each at a price of 0.08p per share. Proceeds raised will be used to provide additional working capital and fund developments costs.

## 8. SHARE BASED PAYMENTS

### SHARE OPTIONS

The Group issues equity-settled share-based payments to certain Directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant.

Fair value is measured by the use of a Black-Scholes model.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

	30 Jun 23		30 Jun 22		31 Dec22	
	Options Number '000	Weighted average exercise price in pence	Options Number '000	Weighted average exercise price in pence	Options Number '000	Weighted average exercise price in pence
At 1 January	40,500	0.7	40,500	0.7	40,500	0.7
Issued	160,000	0.0725	-	-	-	-
Outstanding at end of period	200,500	0.20	40,500	0.7	40,500	0.7
Exercisable at end of period	200,500	0.20	30,500	0.7	40,500	0.7

On 17 January 2023 a total of 160,000,000 options were granted with a fair value of £106,632 to Directors and individuals who have performed services for the Group. These fair values were calculated using the Black-Scholes valuation model.

The inputs into the Black-Scholes valuation model were as follows:

#### Grant 17 January 2023

Weighted average share price at date of grant (in pence)	0.07p
Weighted average exercise price (in pence)	0.0725p
Expected volatility	144.39%
Expected life	7 years
Interest free rate	5%
Expected dividends	none

Expected volatility was determined by management based on their cumulative experience of the movement in share prices. The terms of the options granted do not contain any market conditions within the meaning of IFRS 2.

The Group capitalised expenses of £Nil (2022: £Nil) and expensed costs of £106,632 (2022: £61,695) relating to equity-settled share-based payment transactions during the year.

### Warrants

	30 Jun 23		30 Jun 22		31 Dec22	
	Warrants Number '000	Weighted average exercise price in pence	Warrants Number '000	Weighted average exercise price in pence	Warrants Number '000	Weighted average exercise price in pence
At 1 January	435,683	0.25	-	-	-	-
Issued	97,500	0.065	435,683	0.25	435,683	0.25
Exercisable at end of period	533,183	0.22	435,683	0.25	435,683	0.25

On 16 January 2023 in connection with the share placing a total of 97,500,000 warrants were issued to the brokers involved with the placing. The warrants have an exercise price of 0.065p.

### 9. POST BALANCE SHEET EVENTS

On 1 August 2023 the Company announced that the following long-term, incentive share options have been granted over, in aggregate, 300,000,000 ordinary shares of 0.01p each in the Company. The Options vest immediately, have an exercise price of 0.10p and an expiry date of 30th July 2030.

The Options have been awarded as follows:

	<u>Number of Options Granted</u>
David Horgan	115,000,000
James Finn	75,000,000
Peter O'Toole	75,000,000
Dipti Mehta	35,000,000

10. The Interim Report for the six months to 30 June 2023 was approved by the Directors on 22 September 2023.

11. The Interim Report will be available on the Company's website at [www.clontarfenergy.com](http://www.clontarfenergy.com).