APPENDIX 4D

Clean TeQ Water Limited

(ABN 12 647 935 948)

Interim period report

Provided under ASX listing rule 4.2A.3

29 February 2024

ASX:CNQ

REPORT FOR THE FINANCIAL HALF-YEAR ENDED 31 DECEMBER 2023

The Report for the Financial Half-Year Ended 31 December 2023 does not include full disclosures of the type normally included in an annual financial report. Accordingly, this half-year financial report should be read in conjunction with the Annual Financial Report for the Year Ended 30 June 2023 and any public announcements made by Clean TeQ Water Limited during the interim reporting period in accordance with continuous disclosure requirements arising under Corporations Act 2001 (Cth).

Results for announcement to the market

	Dec-23	Dec-22 *	Movement	
	$000	$000	$000	%
Revenue from continuing operations	7,123	6,774	345	5%
Loss from continuing operations after income tax expense for the period attributable to members	(249)	(1,625)	1,376	85%
Loss for the period attributable to members	(898)	(2,732)	1,834	67%

Dividend

There were no dividends paid, recommended, or declared during the current financial period or in the previous financial period.

Net tangible assets per security

	As at 31 December 2023 $	As at 31 December 2022 $
Net tangible assets per ordinary security	0.08	0.15

* The comparative condensed consolidated statement of profit or loss and OCI has been re-presented to show the discontinued operation separately from continuing operations.

APPENDIX 4D

Clean TeQ Water Limited

(ABN 12 647 935 948)

Interim period report

Independent review of financial report

The consolidated financial statements for the financial half-year ended 31 December 2023 upon which the Appendix 4D is based have been reviewed by Grant Thornton.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the financial half-year ended 31 December 2023.

This report covers the half-year financial period of 1 July 2023 through to 31 December 2023. This period is being compared against the previous period results from 1 July 2022 through to 31 December 2022.

All currencies shown are in this report are Australian Dollars unless otherwise indicated.

This document was approved and authorised for release by Clean TeQ Water's Chairman.

Ian Knight

Chairman

29 February 2024

CLEAN TEQ WATER LIMITED
ABN 12 647 935 948

INTERIM FINANCIAL REPORT

for the financial half-year ending
31 December 2023

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Corporate **Directory**

BOARD MEMBERS	**Ian Knight** (Chairman) **Peter Voigt** (Interim CEO and Executive Director) **Sam Riggall** (Non-Executive Director) **Robyn McLeod** (Non-Executive Director)
COMPANY SECRETARY	**Anita Addorisio**
PRINCIPAL PLACE OF BUSINESS & REGISTERED OFFICE	Unit 12, 21 Howleys Road Notting Hill, Victoria 3168 **Telephone:** +61 3 9797 6700
SHARE REGISTRY	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnson Street Abbotsford, Victoria 3067 **Telephone:** +61 3 9415 5000
AUDITORS	Grant Thornton Collins Square, Tower 5 727 Collins Street Melbourne, Victoria 3008
SECURITIES EXCHANGE LISTING	Australian Securities Exchange **ASX Code:** CNQ OTCQX Market in the United States OTCQX **Code:** CNQQF
WEBSITE	www.cleanteqwater.com

Directors' Report

Your directors present their report on the Consolidated Entity consisting of Clean TeQ Water Limited (Clean TeQ) and the entities it controlled (the "Group" or the "Consolidated entity") during the financial half-year period from 1 July 2023 to 31 December 2023, referred hereafter as the 'financial half-year'. The consolidated financial statements are presented in Australian dollars, which is Clean TeQ's functional and presentation currency.

In compliance with the provisions of the Corporations Act 2001, the directors report the following:

1. Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Ian Knight	Chairman
Peter Voigt	Executive Director and Interim Chief Executive Officer
Sam Riggall	Non-Executive Director
Robyn McLeod	Non-Executive Director

2. Principal Activities

Clean TeQ is an Australian company listed on the Australian Securities Exchange (ASX code: CNQ). During the financial half-year the principal continuing activities of the consolidated Entity consisted of the provision and development of technology solutions for water treatment addressing the renewable energy, critical metals, and water scarcity challenges arising from climate change via provision of water reuse and resource recovery solutions to government entities and companies.

There have been no significant changes in the nature of the Consolidated Entity's activities during the financial half-year.

3. Operating and Financial review

The loss after tax for the Consolidated Entity amounted to $1,214,665 (31 December 2022: loss of $2,754,239).

During the financial half-Year, the Consolidated Entity's revenue from continuing operations was $7,123,483 (31 December 2022: $6,774,200) [1].

The Consolidated Entity reported net operating cash outflows for the interim financial period of $2,124,776 (31 December 2022: $3,808,418) and at the financial reporting date had cash and deposits of $2,472,070 (30 June 2023: $4,847,887).

The Consolidated Entity's business strategy is to build long-term shareholder value through investment in technology solutions for water conservation and critical metal extraction that support the global energy transition.

During the financial half year, the Consolidated Entity maintained a strategic focus on the successful implementation of key water treatment projects and the expansion of regional activities to explore new revenue opportunities in key markets. Through our 50% ownership stake in Go2Lithium Inc. ("G2L"), a company dedicated to lithium-focused endeavours, activities were directed towards integrating our proprietary ion exchange technology, including continuous Direct Lithium Extraction (cDLE®) technology, into the rapidly evolving markets related to lithium production from brine for the lithium battery market. Commercial deployment of NematiQ's Graphene Membranes is underway with customers, with ongoing development work and partnerships for large scale manufacturing remaining a priority. Our entry into the field of tailings management, driven by our ATA® and CLEAN-IX® technologies, was facilitated through the formation of a Joint Venture structure with Future Element Pty Ltd. Our water and resource projects continued, with the successful handover of the HIROX® plant in the Middle East to our partner for the region, the National Energy Services Reunited Corp ('NESR'), the ongoing works with the Townsville Water Recycling project, and the commencement of the uranium recovery project with Heathgate Resources. These strategic initiatives underscore our commitment to drive sustainable growth by delivering better environmental and economic outcomes in the water and metals sectors.

An active program of research and development into complementary technologies continued to expand and enhance the Consolidated Entity's product offering in the water treatment and metal recovery industries.

(1) Financial half-year 2022 period revenue re-presented to reflect adjustment related to the discontinued operation

Operation Highlights

In September 2023, the Consolidated Entity was awarded a $5.6m contract by Heathgate Resources for the design and supply of a CLEAN-IX® (continuous ion exchange) U-Column and associated equipment for its Uranium Processing Plant in South Australia. Clean TeQ's technology is set to improve both the efficiency and sustainability of the operation through the delivery of increased uranium tenor and minimisation of water use. The preliminary design phase was completed in August 2023. The project has a 40-week delivery time from the commencement of the contract. Heathgate Resources will perform the installation, which is expected to take 6 months. Commissioning of the plant will then take place over 8 weeks following installation handover.

In December 2023, Clean TeQ achieved a significant milestone by successfully completing the handover of the HIROX® plant in the Middle East. The HIROX® process, known for its exceptional water recovery capabilities, outperformed conventional reverse osmosis (RO) processes onsite by recovering 250% more water. This accomplishment is noteworthy as it marks the inaugural implementation under the 5-year Distribution agreement between NESR and Clean TeQ. NESR, recognized as one of the largest oilfield services providers in the MENA (Middle East and North Africa) and Asia Pacific regions, represents a strategic partner for Clean TeQ in expanding its market reach and enhancing its presence in key regions. This successful deployment underscores Clean TeQ's commitment to innovation and collaboration in addressing water challenges globally.

Significant progress has been made on the Townsville Water Recycling Project during the financial half-year reporting period, with expectations for completion in Q3 FY24. The project is advancing smoothly, staying on track with both the timeline and budget constraints. The Project reflects Clean TeQ's commitment to environmental sustainability by reducing reliance on traditional water sources and minimizing the ecological footprint associated with water treatment and distribution.

During the reporting period, the Consolidated Entity continued to demonstrate the efficacy of our technologies in sulphate removal (DESALX®) in South America and Europe, particularly within the mining and metallurgical sectors. Encouraging results have emerged, laying a strong foundation for future endeavours in these regions. Building on this success, Nyrstar Belgium has awarded Clean TeQ a $313K contract to undertake a pilot project using our DESALX® technology to remove sulphate and selenium from a refinery wastewater stream. This pilot project marks a critical step towards full-scale implementation, with the potential to treat over 3,000,000 litres of wastewater per hour. The piloting phase is scheduled to conclude by the end of Q4 2024.

Advancements in the removal and recovery of phosphate from industrial waters using our PHOSPHIX® technology, in collaboration with our European and UK partner ENVA, continue to gain momentum. Specifically, heightened interest has emerged from the dairy and pharmaceutical sectors, driven by the anticipation of stricter regulations in these areas by 2026. This increasing interest underscores the growing importance of our technology in addressing environmental concerns and meeting regulatory requirements within these industries.

NematiQ's Graphene Membrane is currently in market education and demonstration phase across several markets. The company is actively collaborating with customers in the drinking water, agriculture, food & beverage, botanicals and pharmaceutical sectors to showcase the benefits of the Graphene Membrane. These benefits include its high permeability and fouling resistance, which outperform the traditional polymeric membrane technologies. Additionally, NematiQ is gaining commercial sales momentum having completed two further customer pilot programs during the quarter. As part of the commercialization process, the Graphene Membrane is undergoing independent testing for the Australian WaterMark certification for drinking water applications.

<u>Partnerships and Joint Ventures</u>

In December 2023, the Consolidated Entity entered into a technology licensing agreement with Beijing Enterprises Industrial Environment Technology Ltd., Co ('BEIE'), a well-respected environmental engineering company and subsidiary of Beijing Enterprise Water Group ('BEWG'). This pivotal agreement grants BEIE the license to use Clean TeQ's proprietary technology across applications, including water and wastewater treatment, solid waste treatment, and the remediation of contaminated sites, which encompasses groundwater contamination treatment and prevention. Additionally, partnerships with Beijing Enterprises Industrial Environment Technology Ltd., Co (BEIE) in China demonstrate Clean TeQ's global reach and collaborative efforts towards environmental solutions.

As part of the agreement, the Consolidated Entity received a license fee totalling $400K and will be entitled to an annual 4% royalty on any sales derived from the technology in the future. Additionally, we will provide paid technical services, including design and other auxiliary services. The Ordos BIONEX™ project currently being delivered to one of BEIE's customers is nearing completion, and we anticipate that BEIE's reach in the China market will result in additional sales of Clean TeQ's technologies in the expanding Chinese market.

The Consolidated Entity's joint venture endeavours have shown promising progress.

During the reporting period, the Consolidated Entity achieved significant milestones in the strategic direction of our joint venture company, Go2Lithium, through a transformative equity-for-technology arrangement with LithiumBank Resources Inc., Canada. Through this deal, Go2Lithium solidified its position as a strategic shareholder in LithiumBank by issuing shares.

Upon the fulfillment of specific milestones, Go2Lithium stands to receive up to 14 million shares, equating to approximately 26% ownership in LithiumBank. This strategic licensing arrangement provides the Consolidated Entity with exposure to some of North America's most prominent brine assets, including LithiumBank's Boardwalk and Park Place Projects.

The licensing agreement grants LithiumBank access to the Consolidated Entity's innovative cDLE® technology. Based on promising laboratory test results, this technology is anticipated to significantly enhance the economics of North American lithium brine projects, positioning both entities for substantial growth and innovation in the sector.

In December 2023, the Consolidated Entity completed the upgrades for the continuous Direct Lithium Extraction (cDLE®) pilot plant on behalf of our lithium Joint Venture company, Go2Lithium Inc. The pilot plant's deployment in Calgary for detailed trials with LithiumBank's brine at the Boardwalk Project reflects Clean TeQ's commitment to advancing lithium extraction solutions.

During the reporting period Clean TeQ made the strategic decision to enhance its capabilities in mine rehabilitation and metals recovery by exercising its option to purchase accelerated dewatering technology ATA® from US-based Soane Labs LLC. This decision reflects the company's commitment to meeting the increasing demand for critical metals while promoting sustainable metal production practices.

Recognizing the immense potential in the field of tailings management, Clean TeQ introduced its ATA® and CLEAN-IX® technologies through a Joint Venture (JV) structure. With the global inventory of mine tailings estimated at 282 billion tonnes and an additional 16 billion tonnes generated annually, there exists a significant opportunity to convert these mining liabilities into valuable assets using Clean TeQ technologies.

To operationalize this strategy, Clean TeQ established a Joint Venture with Future Element Pty Ltd, a specialized company in mine tailings management, following a similar model to the Go2Lithium JV. This strategic partnership enables Clean TeQ to capitalize on synergies and expertise, positioning itself at the forefront of the burgeoning market sector of mine tailings management.

PROJECTS

The Consolidated Entity's projects are aimed at advancing our technologies globally in key markets which are impacted by climate change and the energy transition, while creating value for shareholders. Clean TeQ solutions address numerous challenges in provision of critical metals and water scarcity which have arisen as we transition to a renewable energy future. Many of the current projects are showcasing Clean TeQ's abilities and which will enable the Company to accelerate market penetration and deployment of our solutions in these fields and regions.

Townsville City Council Project – Cleveland Bay Purification Plant (Queensland, Australia)

The Consolidated Entity entered a contract, valued at approximately $10 million, with civil engineering partner, A. Gabrielli Construction (AGC). The contract's objective is to construct and deliver a state-of-the-art Recycled Water Treatment Facility (WTF) with a capacity of 15 megalitres per day (MLD) at the Cleveland Bay Purification Plant. The project forms a critical component of a broader agreement dedicated to providing water treatment and distribution services for the Townsville City Council (TCC). The project helps reduce the demand for potable water for industry and irrigation as part of TCC's integrated water strategy.

Under the contract, the head contractor, AGC, is responsible for the integrated design and construction of the Recycled WTF at Cleveland Bay Purification Plant including all civil and infrastructure works. Clean TeQ has the responsibility for the design and construction of the specified water treatment process and equipment. The objective is to produce Class A water suitable for industrial process reuse and irrigation.

The value of this work to CNQ is around A$10 million and includes a provision to increase the capacity of the plant to 20 MLD and to upgrade the treatment technology to reach a higher quality of water for reuse. The construction of the plant is now essentially complete, and commissioning will be undertaken during Q3FY24.

Heathgate Resources Uranium Project (South Australia, Australia)

In September 2023, the Consolidated Entity was awarded a contract, valued at around $5.6 million, by Heathgate Resources ("Heathgate") for the design, supply, project management, and commissioning of a CLEAN-IX® U-Column uranium processing system for their processing plant in South Australia.

Timely progress was made on fabrication drawings with the manufacturing of several major components commencing for scheduled delivery in the current quarter.

Clean TeQ's continuous ion exchange technology, featuring the innovative U-shaped column design, is poised to enhance uranium grade while simultaneously reducing water usage and optimizing operational efficiency.

NESR HIROX® Project (Middle East)

In August 2021, the Consolidated Entity was awarded a contract, valued at approximately A$3 million, to undertake the design, procurement, delivery, and installation of a HIROX® (High Recovery Reverse Osmosis) plant. The purpose of this plant is to treat bore water and improve water recovery utilized for enhanced oil recovery in the Middle East, a process which traditionally had lower water recovery rates in an area where water scarcity is considered a challenge.

Achieving Practical Completion in December 2023, the HIROX® plant is specifically designed for treating groundwater in support of enhanced oil recovery initiatives in the Middle East. This milestone marks the commercial realization of the first HIROX® technology plant by Clean TeQ in the Middle East, establishing a foundation for future revenue streams under the

Distribution Agreement with NESR as part of its Build, Own, and Operate Joint Venture model.

Clean TeQ's HIROX® technology is tailored to deliver high water recovery rates, typically exceeding 80%, and significantly higher than the 35% recovery achieved by conventional RO (Reverse Osmosis). The HIROX® brine is then used for regeneration in the ion exchange circuit prior to being processed to recover salt for reinjection. The overall water recovery of the circuit in producing brine for rejection is more than 90%. This heightened efficiency in groundwater use is very important for the future requirements of the oil and gas industry, agriculture, and the population dependent on groundwater for drinking.

The successful establishment of the first HIROX® plant serves as a crucial reference site, showcasing the technology's superior water recovery capabilities and enhanced Environmental, Social, and Governance (ESG) outcomes. NESR is now poised to advance discussions with potential customers keen on incorporating this technology for their respective sites.

EVAPX® Technology Project (NSW, Australia)

On 23 September 2021, the Consolidated Entity was awarded a $1.6 million contract to design, procure, and deliver an EVAPX® system. The system is designed to treat wastewater and recover clean water and recycle brine at an agriculture by-product processing facility located in New South Wales, Australia.

The Consolidated Entity's EVAPX® process uses a low energy process to evaporate water from a concentrated salty wastewater, reducing the overall wastewater volume and producing a concentrated brine and purified water which are re-used in the process.

The EVAPX® solution is a low energy solution, substantially reducing the carbon footprint of the products produced. The EVAPX® technology treats highly concentrated wastewaters and brines to achieve minimal liquid discharge (MLD) or zero liquid discharge (ZLD). EVAPX® is supplied as a complete engineered package and has applications for treatment across a wide variety of industrial sectors including mining, metal processing, and chemicals.

Efforts are ongoing to fine-tune the plant's operation to reach nameplate capacity and accommodate more complex input streams.

Ordos BIONEX™ Nitrate Removal Project (Inner Mongolia, China)

During the financial reporting period, the BIONEX™ nitrate removal plant installation in Inner Mongolia China has been completed and commissioning is expected to be complete in Q3 FY24. This BIONEX™ plant is the first of its kind in China and will act as a demonstration site for other prospective customers. The market for BIONEX™ nitrate removal technology is large and includes treating effluents from mining, industrial processes and municipal water treatment facilities located in ecologically sensitive areas.

In March 2022, the Consolidated Entity was awarded a contract to design, procure, deliver and install a 12,000 cubic meters per day BIONEX™ nitrate removal plant to a coal mine operator in Inner Mongolia, China. The BIONEX™ solution is a combination of the Consolidated Entity's Continuous Ionic Filtration (CIF®) and BIOCLENS® (lens encapsulated bacteria) technologies. BIONEX™ is highly effective for removal of nitrate from wastewater while minimising costs of operation and waste by-products.

The CIF® portion of the plant has operated continuously for most of the time since May 2022, removing nitrate to levels below the specified 1ppm level.

The installation of the biological (BIOCLENS®) section of the plant had been substantially delayed due to COVID related lockdowns in China, thus marking a significant milestone with the completion of its installation in this reporting period.

Go2Lithium – LithiumBank cDLE®

During the reporting period, the Consolidated Entity's joint venture company, Go2Lithium, reached significant milestones in its operations. One notable achievement was the finalization of construction and commissioning of the cDLE® pilot plant at its Hallam facility, before its subsequent shipment to LithiumBank's Calgary, AB Canada test site. This fully automatic cDLE® plant boasts the capacity to process up to 10,000 litres per day of brine and comprises sorption, desorption, and chemical makeup circuits. Through a selective extraction process, lithium is extracted from the feed brine by the sorbent and then stripped using a weak acid, resulting in a concentrated lithium eluate.

The delivery and successful operation of the pilot plant mark a pivotal technical milestone in the issuance of the next tranche of LithiumBank shares under the Technology Licensing Agreement.

Clean TeQ foresees that the establishment of this facility will accelerate the progression of its Park Place deposit, highlighting the positive synergy among the entities involved.

The Consolidated Entity has provided licenses and the pilot plant to its 50%-owned Go2Lithium JV for utilization by its 100%-owned subsidiary, G2L Greenview Resources Inc., in advancing LithiumBank's Alberta assets. Presently, Clean TeQ owns 2,000,000 shares in LithiumBank (TSX.V: LBNK) through its ownership in Go2Lithium Inc., with an eventual ownership of 7,000,000 shares upon the satisfaction of all phases of the Technical License Agreement.

Nyrstar DESALX® (Belgium)

In December 2023, following successful laboratory trials conducted onsite at Nyrstar's zinc processing plant for sulphate and selenium discharge in Europe, the Consolidate Entity was awarded a $313K contract to conduct a pilot project utilizing our DESALX® technology for the removal of sulphate and selenium from a refinery wastewater stream for Nyrstar Belgium.

Clean TeQ is using an automated plant which will treat 300 litres per day of wastewater over a 3-month period.

The investigation of DESALX® technology at the pilot scale is a crucial step toward a full-scale implementation, treating over 3,000,000 litres of wastewater per hour. The piloting phase is planned to conclude by the end of Q4 FY24.

ENVA – PHOSPHIX® (Ireland)

During the reporting period, PHOSPHIX® benchtop trials have commenced with Enva in Ireland, demonstrating the technology's efficiency in removing phosphate from pharmaceutical wastewater. Initial results have been positive, paving the way for larger scale on-site trials expected to commence in Q3 FY24.

In December 2022, the Consolidated Entity signed a cooperation agreement with Enva Ireland Ltd ('Enva') to promote the Company's water treatment solutions in Ireland and the United Kingdom ('UK'). The agreement grants Enva exclusivity for 24 months to implement Clean TeQ technologies HIROX®, DESALX® and PHOSPHIX® in projects across the dairy, pharmaceutical, municipal, and industrial sectors in Ireland and the UK, marking significant new sectors in which to deploy the technology following successful trials.

ATA® Rapid Dewatering Technology

During the period Clean TeQ exercised its option to purchase rapid dewatering technology, ATA®, from US-based Soane Labs LLC, to advance its offering in mine rehabilitation and metals recovery, a key market as the demand for critical metals increases and as does the need for sustainable metal production.

In high rainfall environments the dewatering of mine tailings is becoming a critical issue for mines after the failures of several tailings storage facilities resulting in the death of locals and severe environmental impacts. Mines are looking to move from tailings storage with associated water to dry storage and the improved dewatering processes are central to a successful outcome.

Economically efficient and environmentally sound tailings rehabilitation is a recognised priority for the mining industry, as companies increasingly emphasise sustainable metal production, reducing legacy issues and improving social licence to operate.

Clean TeQ's acquisition of ATA® represents an important strategic step in its targeted expansion into the global mine tailings rehabilitation and metal recovery industry. The ATA® technology was developed to offer a secure and low-cost mine tailings treatment process by rapidly separating water and solids to produce stackable dry tailings and recycled water.

An active program of works is underway to introduce ATA® Dewatering technology to the global mining market and trials are being conducted in Australia, USA and South Africa.

Future Element Operations

During the reporting period the Consolidated Entity established the joint venture, Future Element Operations (JV), with mine tailings management company Future Element Pty Ltd, to focus on tailings management, metal recovery and waste remediation opportunities. The JV is 50% owned by Clean TeQ and 50% owned by Future Element and has immediate access to both Clean TeQ's and Future Element's opportunity pipeline.

The convergence of rising environmental concerns, stricter regulations, and the need for sustainable practices is driving the mining industry to adopt more advanced technologies across all stages of the mining process. These technologies not only enhance operational efficiency and profitability but also contribute to environmental stewardship and social responsibility in the mining sector.

Clean TeQ will provide the JV with licenses for its proprietary ATA® rapid dewatering technology and its suite of CLEAN-IX® ion exchange technologies. In exchange, The Company will benefit via the JV from experienced management provided by Future Element and its commercial agreements already in progress on key foundation projects.

Subsequent to the reporting period, Future Element Operations joined the Unearthed Think and Act Differently (TAD) program. The TAD program is led by BHP, and Future Element Operations will receive funding, mentoring, access to subject experts, and samples needed to undertake testing as part of the Essential Minerals Cohort.

NematiQ

NematiQ (a 100% owned subsidiary of Clean TeQ) is focused on the development of manufacturing, demonstration, and sales of a Graphene Membrane for water treatment and separations. The Graphene Membrane has the unique property of removing organic contaminants under low pressure without rejecting salts, resulting in a lower energy and environmental footprint than current nanofiltration methods.

During the financial half-year, NematiQ completed much of the testing and other audit requirements for Watermark certification of its membrane modules. The Watermark certification is an accreditation for the use of products that contact with drinking water. This accreditation process is expected to be completed during the second half of FY24. This will allow NematiQ to display the accreditation on its product for sale in Australia for drinking water applications, which is a current barrier to commercial use across the drinking water sector.

Key trials and sales have progressed in the reporting period. Onsite pilots were completed in Australia for use of the Graphene Membrane in municipal drinking water treatment and food & beverage wastewater treatment. Initial results have been positive in both pilots, with the potential for the replacement of high energy intensity processes with NematiQ Graphene Membranes.

Three customer-led pilots were conducted in the fields of botanical extractions in hemp processing, dye recovery in the textiles industry and integration trials in Water Source Australia's IoT-enabled drinking water cabinet.

NematiQ has verified and subsequently deployed different module constructions for some specific use cases following-on from customer-led innovation activities. During this period, NematiQ and its value chain partners developed and tested protocols for the manufacture of sanitary membrane modules for the food and beverage industry and separately for organic solvent nanofiltration.

The NematiQ Graphene Membrane product has a unique combination of high processing rate at a low molecular weight cut-off (MWCO 800 Daltons). The technology is covered by 4 patent families, which are for the deposition of a consistent defect-free thin layer of graphene oxide for the use in membrane filtration and separations.

The company's Notting Hill site is home to the critical IP parts of the production process, alongside final product quality control and next generation product development. NematiQ has identified key markets for early adoption and markets with longer term sales potential and is active in these markets.

CORPORATE

On 29 September 2023 Soane Labs LLC ('Soane") was issued 7,178,033 fully paid ordinary shares in the Company ("Consideration Shares"), on 29 September 2023 valued at $0.4179 per share ($3M). The Consideration Shares have been placed in voluntary escrow for 12 months, as per a Restriction Agreement signed between the Company and Soane.

The share price used for determining the scrip consideration was $0.4179, the volume weighted average price of the Company's shares for the 10 trading Days' immediately preceding the date on which the Purchase Agreement was signed. Accordingly, 7,178,033 Consideration Shares were issued and maintained on the Company's Issuer Sponsored Sub-register.

4. Significant Changes in State of Affairs

On 18 December 2023, the Consolidated Entity executed a technology license agreement granting the exclusive rights to exploit the Group's technologies in the China region and a factory management and off-take agreement, to its largest customer in China. As part of the agreement, the Consolidated Entity received a license fee totalling $400K and will be entitled to an annual 4% royalty on any sales derived from the technology in the future. As a consequence of these agreements, the Group has made the strategic decision to discontinue its project delivery and manufacturing activities in its China business segment. Moving forward, the Consolidated Entity anticipates potential revenue streams from royalties, technical services, and cost recoveries.

5. Dividends Paid or Recommended

There were no dividends paid, recommended, or declared during the current interim financial period or in the previous financial period.

6. Matters Subsequent to Reporting Date

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

7. Likely Developments and Expected Results of Operations

The Consolidated Entity holds an extensive revenue-generating intellectual property portfolio providing exposure to the energy transition sectors, which includes Lithium, Critical Metals, Water and Mining tailings management. Clean TeQ will continue to innovate and work on projects and in markets that are critical to our planet's future. As we see and acknowledge climate change as the biggest risk to our future, we must respond urgently and intelligently to the problems it poses. Renewable energy, essential metals, and water scarcity rank prominently on the climate change agenda, and Clean TeQ offers solutions to address numerous challenges with solutions in improved water efficiency and recycling, new extraction and material technologies in mining, and circular economy approaches in waste reduction. We continue to implement our technologies in these sectors, both through direct initiatives and, more recently, by engaging in targeted joint ventures to expedite their adoption. The December FY24 quarter saw Clean TeQ progress projects in the Uranium, Lithium and Freshwater markets which utilise our advanced wastewater treatment and metals recovery technologies.

Through its G2L Joint Venture agreement, the Consolidated Entity is gaining equity in LithiumBank as it achieves milestones. G2L utilizes continuous counter-current processing technology, leading to maximizing lithium recovery and minimizing environmental impact. With rising lithium demand amid global renewable energy and electrification trends, G2L's sustainability commitment positions it as a significant player. Future advancements in G2L's processes promise greater efficiencies, reduced costs, and enhanced environmental performance. By prioritizing research and development, G2L remains poised to adapt to market shifts and technological innovations, ensuring sustained success in lithium extraction for a sustainable future. Clean TeQ expects the pilot plant to demonstrate material OPEX and NPV improvements at the Boardwalk project in Canada as it completes its 100-day test.

Commercial contracts with Future Element are expected to progress in the next quarters with several pilot plant investigations of the ATA® technology already underway.

8. Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

Signed in accordance with a resolution of Directors at Melbourne, Victoria on 29 February 2024.

On behalf of the directors

Ian Knight
Chairman

Melbourne, Victoria
29 February 2024

Lead Auditor's Independence Declaration

For the interim period 1 July 23 to 31 December 2023

Grant Thornton Audit Pty Ltd
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Collins Square
727 Collins Street
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Melbourne VIC 3001

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Auditor's Independence Declaration

To the Directors of Clean TeQ Water Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Clean TeQ Water Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 29 February 2024

Clean TeQ Water Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial half-year ended 31 December 2023

	Note	Half-year ended 2023 $	Half-year ended 2022 $
Revenue		7,123,483	6,774,200
Other Income		578,330	422,660
Total revenue and other income	4	**7,701,813**	**7,196,860**
Raw materials and other direct costs	5	(5,377,945)	(3,902,025)
Employee benefits expenses	6	(3,053,595)	(3,206,349)
Legal & professional expenses		(279,326)	(359,086)
Occupancy expenses		(149,340)	(306,208)
Travel & entertainment expenses		(147,411)	(84,933)
Marketing & communication expenses	5	(87,921)	(87,529)
Research & development expenses		(101,081)	(313,901)
Other expenses	5	(691,037)	(583,458)
Impairment loss on trade and other receivables, including contract assets		-	-
Operating loss from continuing operations before finance costs		**(2,185,843)**	**(1,646,629)**
Net finance income	5	10,074	20,894
Share of Profit of equity-accounted investees, net of tax	8	1,926,555	-
Loss from continuing operations before income tax		**(249,214)**	**(1,625,735)**
Income tax expense		-	-
Loss from continuing operations after income tax expense for the period attributable to the owners of the Company		**(249,214)**	**(1,625,735)**
Discontinued Operations			
Loss for the year from discontinued operations net of tax	7	(965,451)	(1,128,504)
Loss for the period		**(1,214,665)**	**(2,754,239)**
Other comprehensive Income			
Foreign Operations - foreign currency translation differences		107,830	22,037
Share of other comprehensive income of equity-accounted investees	8	209,210	-
Other comprehensive Income for the period		**317,040**	**22,037**
Total comprehensive loss for the period attributable to the owners of the Company		**(897,625)**	**(2,732,202)**
Total and continuing earnings per share:			
Basic earnings per share ($) – total	10	(0.02)	(0.05)
Diluted earnings per share ($) – total	10	(0.02)	(0.05)
Basic earnings per share ($) – continuing operations	10	(0.00)	(0.03)
Diluted earnings per share ($) – continuing operations	10	(0.00)	(0.03)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Clean TeQ Water Limited Condensed Consolidated

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 $	30 June 2023 $
Assets			
Current Assets			
Cash and cash equivalents		2,255,869	4,631,686
Restricted cash & other financial assets		216,201	216,201
Receivables and prepayments		3,038,349	1,279,194
Contract assets		675,831	2,189,840
Research and development incentive receivable		1,125,340	725,245
Inventories		28,837	297,641
Total Current Assets		**7,340,427**	**9,339,807**
Non-Current Assets			
Contract assets		237,755	246,695
Property, plant, and equipment		603,715	653,556
Right-of-use assets		34,587	58,202
Investments in joint ventures	8	2,136,929	-
Intangible assets	11	5,081,449	2,228,346
Total Non-Current Assets		**8,094,435**	**3,186,799**
Total Assets		**15,434,862**	**12,526,606**
Liabilities			
Current Liabilities			
Trade and other payables		2,364,105	2,424,997
Contract liabilities		1,018,522	200,652
Lease liabilities		73,951	88,428
Employee benefits		574,921	588,958
Provisions	14	338,219	59,952
Loans and borrowings		81,435	239,729
Total Current Liabilities		**4,451,153**	**3,602,716**
Non-Current Liabilities			
Lease liabilities		-	14,992
Employee benefits		73,629	84,099
Provisions	14	788,958	835,339
Total Non-Current Liabilities		**862,587**	**934,430**
Total Liabilities		**5,313,740**	**4,537,146**
Net Assets		**10,121,122**	**7,989,460**
Equity			
Share capital	12	7,685,834	4,704,759
Reserves	9	20,199,610	19,834,358
Accumulated losses		(17,764,322)	(16,549,657)
Total Equity		**10,121,122**	**7,989,460**

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Clean TeQ Water Limited

Condensed Consolidated Statement of Changes in Equity

For the financial half-year ended 31 December 2023

	Note	Share Capital $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2022		**1**	**(11,063,871)**	**19,802,390**	**8,738,520**
Loss after income tax for the period		-	(2,754,239)	-	(2,754,239)
Other comprehensive income		-	-	22,037	22,037
Total comprehensive loss for the period		**-**	**(2,754,239)**	**22,037**	**(2,732,202)**
Transactions with owners in their capacity as owners:					
Equity contributions, net of transaction costs		4,704,758	-	-	4,704,758
Share-based payments		-	-	272,410	272,410
Balance at 31 December 2022		**4,704,759**	**(13,818,110)**	**20,096,837**	**10,983,486**
Balance at 1 July 2023		**4,704,759**	**(16,549,657)**	**19,834,358**	**7,989,460**
Loss after income tax for the period		-	(1,214,665)	-	(1,214,491)
Other comprehensive income		-	-	317,040	317,040
Total comprehensive loss for the period		**-**	**(1,214,665)**	**317,040**	**(897,625)**
Transactions with owners in their capacity as owners:					
Issue of ordinary shares as consideration	12	3,000,000	-	-	3,000,000
Transaction costs relating to issue of ordinary shares		(18,925)	-	-	(18,925)
Share-based payments	13	-	-	48,212	48,212
Balance at 31 December 2023		**7,685,834**	**(17,764,322)**	**20,199,610**	**10,121,122**

(#) An upfront purchase consideration of $3,000,000 (being agreed purchase price) in fully paid ordinary shares in Clean TeQ Water at an issue price of $0.418. The new shares issued are subject to a 12-month escrow period from the date of issue.

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Clean TeQ Water Limited
Condensed Consolidated Statement of Cash Flows

For the financial half-year ended 31 December 2023

	Half-year ended 2023 $	Half-year ended 2022 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	8,294,698	6,318,970
Payments to suppliers and employees (inclusive of GST)	(10,614,536)	(10,118,745)
Payments for security deposits	-	(30,000)
Government tax relief refund received	178,212	-
Interest received	16,850	21,358
Net cash used in operating activities	**(2,124,776)**	**(3,808,417)**
Cash flows from Investing activities		
Payments for property, plant, and equipment	(14,755)	(102,443)
Acquisition of investments in joint ventures	(1,164)	-
Net cash from investing activities	**(15,919)**	**(102,443)**
Cash flows from financing activities		
Proceeds from issue of shares, net of costs	(18,925)	4,704,758
Repayment of borrowings and interest	(164,903)	-
Repayment of lease liabilities and interest charges	(30,965)	(71,475)
Net cash used in financing activities	**(214,793)**	**4,633,283**
Net increase in cash and cash equivalents	(2,355,488)	722,423
Cash and cash equivalents at the start of the period	4,631,686	5,570,746
Effects of exchange rate changes on cash and cash equivalents	(20,329)	(39,020)
Cash and cash equivalents at the end of the period	**2,255,869**	**6,254,149**

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

1. General Information

The financial statements cover the Clean TeQ Water Limited Consolidated Entity as a Consolidated Entity consisting of Clean TeQ Water Limited ('Clean TeQ' or 'the Company') and its subsidiaries ('the Consolidated Entity' or 'the Consolidated Entity'). The financial statements are presented in Australian dollars, which is the Consolidated Entity's functional and presentation currency.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Clean TeQ Water Limited is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 12, 21 Howleys Road
Notting Hill, Victoria 3168
Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

2. Significant accounting policies

(a) Basis of preparation

These general-purpose financial statements for the financial half-year reporting period ended and 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted and applied by the Consolidated Entity are consistent with those of the previous financial year and the corresponding interim reporting period.

New and amended standards adopted by the Consolidated Entity in the current reporting period had no material impact.

Where applicable, certain comparatives have been adjusted to conform with current year presentation.

Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(b) Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(c) New standards and interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Consolidated Entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

2. Significant accounting policies (Cont'd)

(d) Going concern

The Financial Report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity reported a net loss after tax for continuing operations for the financial half-year of $249,214 (31 December 2022: loss of $1,625,735) and the Consolidated Entity's position as at 31 December 2023 was as follows:

- The Consolidated Entity had cash reserves of $2,255,869; and
- The Consolidated Entity had negative operating cash flows of $2,124,776.

During the financial half-year, the following events have taken place to support the going concern basis of preparation for the Consolidated Entity:

- The Consolidated Entity has available cash on hand as at 31 December 2023 of $2,255,869 and net current assets of $2,889,274;

- The Consolidated Entity earned $7,123,483 in sales revenue during the financial half-year and currently has a program of works in excess of this amount still to be completed;

- The Consolidated Entity expects to receive cash rebates from the Australian Tax Office for eligible research and development expenditure incurred in FY2023. A cash rebate relating to a tax period ending 30 June 2023 of $819,370 is expected to be received in the March 2024 quarter. In addition, the Consolidated Entity has booked a $305,970 receivable for an estimated refund due to it for some of its Research & Development expenditure incurred during the tax period 1 July 2023 to 31 December 2023;

- The Consolidated Entity has successfully completed a number of contracts to design, procure and construct water purification plants which have generated positive cashflows over recent years. The Consolidated Entity is confident, on the basis of the successful completion of these contracts, that it will be awarded additional water treatment contracts in the future;

- The recent award of paid pilot projects in South America and Europe ($313,129), the final step before the customer decides on project award.

- 4 million common shares being approximately 8.63% of the issued shared in the capital of LithiumBank Resources Corp have been issued. The approximate value was CAD$1.32 per share representing CAD $5.4 million (AUD$6.2 million). Additionally, G2L retains the right to be issued up to an additional 10 million common shares in tranches, subject to achievement of certain technical and study milestones. The 14 million shares, if fully issued, represent as of the date of this release approximately 25% of LithiumBank's current issued and outstanding shares (on a post-issue basis).

- Forecast cash flows (which include a variety of scenario-based outcomes relating to revenue totals) indicate the ability of the Consolidated Entity to maintain a positive cash position for at least the period of 12 months to February 2025.

The Consolidated Entity will continue working towards securing additional commercial contracts in the near future and anticipates producing substantial revenues in the future.

The Consolidated Entity expects that relationships with its major investors will also assist in widening the Consolidated Entity's opportunities for profitable commercialisation of its technologies.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

2. Significant accounting policies (Cont'd)

(d) Going concern (Cont'd)

The Directors are confident that the Consolidated Entity can access debt and equity funding to meet medium term working capital requirements and has a history of securing funding as required to support their confidence.

While the directors are confident in the Consolidated Entity's ability to continue as a going concern, in the event the cash flow forecasts are adversely impacted and commercial opportunities described above do not eventuate as planned there is a material uncertainty as to whether the Consolidated Entity will be able to generate sufficient net operating cash inflows or execute alternative funding arrangements to enable it to continue as a going concern beyond the 12 months from the date the directors approve the half-year financial report.

Consequently, a material uncertainty exists as to whether the Consolidated Entity will continue as a going concern and it may therefore be required to realise assets at amounts different to their carrying amounts in the consolidated statement of financial position, extinguish liabilities at amounts different to those recorded in the consolidated financial position and settle liabilities other than in the ordinary course of business.

(e) Investments in equity instruments designated as at FVTOCI

Where the Group has acquired or holds equity instruments granting an interest in another entity but does not have significant influence or control over the investee, management will account for the financial asset according to AASB 9 Financial Instruments.

Equity instruments are initially recognised at their fair value, plus or minus transaction costs that are directly attributable to the acquisition of the equity instrument. Subsequent to initial recognition, management will, on an investment by investment basis, make an election on whether to subsequently measure equity instruments at fair value through profit or loss ('FVTPL') or at fair value through other comprehensive income ('FVTOCI'). In doing so, management will consider whether the equity instruments are held for trading or not.

Where management elects to measure equity instruments at fair value through profit and loss, gains and losses on the fair value of the financial assets are recognised in profit and loss.

Where the election has been made to measure equity instruments at fair value through other comprehensive income, gains and losses on the fair value of the financial assets are recognised in other comprehensive income. Any dividends in respect of these investments that are a return on investment are recognised in profit or loss.

(f) Critical accounting judgements not included in the most recent annual audited financial report

Income tax and withholding tax provisions

During the financial period, the Group acquired a 50% interest in Go2Lithium Inc, a joint venture formed with Computational Geosciences Inc, a company domiciled in Canada. Management have made key judgments, in conjunction with professional external advice in both Australia and Canada, on the interpretation of tax legislation applicable to the transaction to acquire this interest and other subsequent related party transactions with the joint venture.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

3. Operating Segments

The Consolidated Entity identifies its operating segments based on management accounts used by the Executive Committee and Board of Directors in assessing business unit performance and deciding on the optimal utilisation of Consolidated Entity resources.

Reportable segments disclosed are based on aggregating operating segments where they are considered to have similar geographical, economic and functional characteristics.

The Consolidated Entity operates geographically within Australia and China offering water treatment solutions (“Water”), metal resource recovery solutions (“Critical Metals”) and also undertakes significant research and development in technologies applicable to both aforementioned solutions and emerging technology in graphene membrane production (“Tech”).

Consolidated – 31 December 2023							
Geographic Location:	Australia				Total	China	
Division:	Water	Critical Metals*	Tech	Reconciling Items	Continuing	Discont’d*	Total
	$	$	$	$	$	$	$
Revenue and other income							
Revenue from contracts with customers	4,736,265	581,495	-	-	**5,317,760**	-	**5,317,760**
Test work & pilot plants	183,335	116,057	-	-	**299,392**	-	**299,392**
Aftermarket spares & services	101,026	-	-	-	**101,026**	-	**101,026**
Product sales revenue	-	-	45,918		**45,918**	152,863	**198,781**
Intellectual property revenue	400,000	-	-		**400,000**	-	**400,000**
Service Fee Income	-	959,387	-		**959,387**	-	**959,387**
R&D tax incentive income	-	-	400,095	-	**400,095**	-	**400,095**
Government tax relief income	-	--	-	178,212	**178,212**	-	**178,212**
Other income	-	-	-	23	**23**	-	**23**
Total revenue and other income	**5,420,626**	**1,656,939**	**446,013**	**178,235**	**7,701,813**	**152,863**	**7,854,676**
EBITDA	**(191,437)**	**(21,226)**	**(551,882)**	**674,699**	**(89,846)**	**(907,896)**	**(997,742)**
Depreciation expenses					(22,545)	(56,226)	(78,771)
Amortisation expenses					(146,897)	-	(146,897)
Net finance income					10,074	(1,329)	8,745
Loss after income tax expense					**(249,214)**	**(965,451)**	**(1,214,665)**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

3. Operating Segments (Cont'd)

Consolidated – 31 December 2022							
Geographic Location:	Australia				Total	China	
Division:	Water	Critical Metals *	Tech	Reconciling Items	Continuing	Discont'd *	Total
	$	$	$	$	$	$	$
Revenue and other income							
Revenue from contracts with customers	6,397,440	-	-	-	**6,397,440**	4,176	**6,401,616**
Test work & pilot plants	153,928	27,095	-	-	**181,023**	-	**181,023**
Aftermarket spares & services	95,215	-	-	-	**95,215**	-	**95,215**
Service Fee Income	-	100,522	-		**100,522**	-	**100,522**
R&D tax incentive income	-	-	362,623	-	**362,623**	-	**362,623**
Other income	59,674	-	295	68	**60,037**	-	**60,037**
Total revenue and other income	**6,706,257**	**127,617**	**362,918**	**68**	**7,196,860**	**4,176**	**7,201,036**
EBITDA	**804,580**	**(287,949)**	**(699,440)**	**(1,303,163)**	**(1,485,972)**	**(1,014,863)**	**(2,500,835)**
Depreciation expenses					(34,690)	(106,786)	(141,476)
Amortisation expenses					(125,967)	-	(125,967)
Net finance income					20,894	(6,855)	14,039
Loss after income tax expense					**(1,625,735)**	**(1,128,504)**	**(2,754,239)**

* See note 7 and note 8; as a result of discontinuing operations and the establishment of the Go2Lithium joint venture and Future Element Operations joint venture, the Group has restated the previously reported segment information for the six months ended 31 December 2022.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

4. Revenue and other income

Consolidated	31 Dec 2023 $	31 Dec 2022 $
Revenue		
Revenue from contracts with customers	5,317,760	6,397,440
Intellectual property revenue	400,000	-
Test work & pilot plants	299,392	181,023
Aftermarket spares & services	101,026	95,215
Product sales revenue	45,918	-
Service fee income	959,387	100,522
Total revenue from contracts with customers	**7,123,483**	**6,774,200**
Other income		
R&D Tax Incentive income	400,095	362,623
Government tax relief income	178,212	-
Other income	23	60,037
Other income	**578,330**	**422,660**
Total revenue and other income	**7,701,813**	**7,196,860**

Intellectual Property Revenue

Intellectual property revenue relates to income generated from licensing fees granted for the exclusive right to use the Consolidated Entity's intellectual property. The Group applies the five step model outlined in AASB 15 Revenue from Contracts with Customers when recognising license fee income to determine whether license fee income is recognised at a specific point in time or over time.

Where a license fee is a distinct component of a contract, and the performance obligation is satisfied at a point in time by granting exclusive control or a right to use the entity's intellectual property as it exists when the licence is granted, the revenue is recognised at the point in time when control over the intellectual property is transferred.

Where a license fee is a not a distinct, primary or dominant component of a contract, and the contract necessitates the performance of highly inter-related services over time, they are treated as a single performance obligation. Revenue is then recognised over time based on an appropriate input method applicable to the services required.

During the financial year, the Consolidated Entity granted a perpetual, exclusive license to its largest customer in China for the right to use its intellectual property in the China Region for an upfront license fee of $400,000. The license fee was granted as a distinct and primary component of a contract, with no ongoing highly inter-related obligations beyond knowledge transfer. The group fulfilled its obligations for granting control of the intellectual property and knowledge transfers prior to the end of financial period.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

5. Expenses

Consolidated	31 Dec 2023 $	31 Dec 2022 $
Raw materials and other direct costs		
Raw Materials	(4,057,574)	(1,781,755)
Subcontractors & consultants	(829,221)	(1,775,679)
Other direct costs (Warranty provision, project travel, freight)	(491,150)	(344,591)
Total raw materials and other direct costs	**(5,377,945)**	**(3,902,025)**
Marketing & communication expenses		
Marketing expenses	(35,003)	(54,411)
Corporate promotion	(52,918)	(33,118)
Total marketing expenses	**(87,921)**	**(87,529)**
Other expenses		
Insurance expense	(167,776)	(115,199)
Loss on asset disposal	-	-
Realised foreign exchange (loss) / gain	(129,912)	15,236
Depreciation & amortisation expenses	(169,441)	(160,657)
Other expenses (Corporate, IT, office expenses)	(223,908)	(322,838)
Total other expenses	**(691,037)**	**(583,458)**
Net Finance Income		
Finance income	16,716	21,045
Finance costs	(6,642)	(151)
Total net finance income	**10,074**	**20,894**

6. Employee Benefits

Consolidated	31 Dec 2023 $	31 Dec 2022 $
Employee Benefits Expenses		
Wages and salaries	(1,890,040)	(1,902,154)
Employee entitlements	(116,547)	(258,867)
Superannuation	(229,568)	(220,775)
Equity settled share-based payments	(48,213)	(272,409)
Contractors and consultants	(237,486)	(312,110)
Other costs	(531,741)	(240,033)
Total employee benefits expenses	**(3,053,595)**	**(3,206,349)**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

7. Discontinuing operations

Discontinuing of project delivery and manufacturing activities in China

On 18 December 2023, the Consolidated Entity executed a technology license agreement granting the exclusive rights to exploit the Group's technologies in the China region and a factory management and off-take agreement to its largest customer in China. As part of the agreement, the Consolidated Entity received a license fee of $400K and entitlement to future royalties. Consequently, the Group will discontinue project delivery and manufacturing activities in its China operating segment. In the future, the Consolidated Entity anticipates potential revenue streams from royalties, technical services and cost recoveries and may incur minimal administrative costs associated with entities in China.

The Group determined that its project delivery and manufacturing activities in China satisfied the criteria for classification as a discounted operation. In doing so it considered factors including not limited to, managements and the groups plans, likelihood of completion of those plans, the disposal strategy and the impact on operations.

The comparative condensed consolidated statement of profit or loss and OCI, and condensed statement of cash flows have been re-presented to show the discontinued operation separately from continuing operations. To achieve this presentation, management has eliminated from the results of the discontinued operation any inter-segment sales (and costs thereof, less unrealised profits).

Results of discontinuing operations	Half year ended 2023 $	Half year ended 2022 $
Loss for the year from discontinued operations		
Revenue	152,863	4,176
Other income	-	-
Total revenue and other income	**152,863**	**4,176**
Expenses	(1,118,314)	(1,132,680)
Loss from discontinued operations before tax	**(965,451)**	**(1,128,504)**
Income tax expense	-	**-**
Loss from discontinued operations	**(965,451)**	**(1,128,504)**
Cash flows from discontinuing operations		
Net cash used in operating activities	(244,687)	(1,162,112)
Net cash used in investing activities	-	(3,500)
Net cash used in financing activities	(30,965)	(46,351)
Net cash flow for the period	**(275,652)**	**(1,211,963)**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

8. Investments in joint ventures

Investments in joint ventures currently comprises the Group's interest in the equity-accounted investee, Go2Lithium Inc. Joint ventures are accounted for using the equity method when the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group's investment in joint ventures are initially recognised at the net cost to acquire the interests, which includes consideration paid net of transaction costs. Subsequent to initial recognition, the investment in the consolidated financial statements includes the Group's share of profit and loss and the Group's share of other comprehensive income, until the date on which significant influence or joint control ceases.

Foreign currency differences arising from the translation of investments in joint ventures are recognised in other comprehensive income.

During the financial half year, the Group acquired a 50% interest in Go2Lithium Inc, a joint venture formed with Computational Geosciences Inc, a company domiciled in Canada. The company is dedicated to lithium-focused endeavours, with activities directed towards integrating our proprietary ion exchange technology, including continuous Direct Lithium Extraction (cDLE®) technology into the rapidly evolving markets related to lithium production from brine for the lithium battery market. The Group's interest in Go2Lithium Inc is accounted for using the equity method in the consolidated financial statements. The accounting policies of the joint venture, which have been applied in determining the financial information shown below, are the same as those applied by the Group.

The jointly controlled entity Go2Lithium Inc. has elected to account for its equity instruments currently held at fair value through other comprehensive income.

	31 Dec 2023 $	30 Jun 2023 $
Summarised statement of financial position of Go2Lithium Inc		
Current assets	51,811	-
Non current assets	4,848,336	-
Current liabilities	(371,253)	-
Non current liabilities	(255,036)	-
Equity	**4,273,858**	**-**
Group's share in equity – 50%	2,136,929	-
Group's carrying amount of the investment	**2,136,929**	**-**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

8. Investments in joint ventures (Cont'd)

	Half year ended 2023 $	Half year ended 2022 $
Summarised statement of profit or loss and other comprehensive income of Go2Lithium Inc		
Revenue	4,404,535	-
Expenses	(374,677)	-
Profit before tax	**4,029,858**	**-**
Income tax expense	(176,748)	-
Profit for the period	**3,853,110**	**-**
Group's share of profit for the period – 50%	**1,926,555**	
Foreign Operations - foreign currency translation differences	(63,454)	-
Equity investments at FVOCI - net change in fair value	481,874	-
Other comprehensive income for the period	**418,420**	-
Group's share of other comprehensive income for the period – 50%	**209,210**	
Total comprehensive income for the period	**4,271,530**	**-**
Group's share of total comprehensive income for the period – 50%	**2,135,765**	**-**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

9. Equity – Reserves

Consolidated	31 Dec 2023 $	30 Jun 2023 $
Reserves		
Business Combination Reserve	19,431,369	19,802,390
Translation Reserve	42,666	(21,007)
Share Based Payments Reserve	484,638	52,975
	240,937	
Total reserves	**20,199,610**	**19,834,358**

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

Consolidated	Business Combination Reserve $	Translation Reserve $	Share Based Payments Reserve $	Fair Value Reserve $	Total $
Balance at 1 July 2022	**19,431,369**	**(12,430)**	**383,451**	**-**	**19,802,390**
Other comprehensive income	-	22,037	-	-	22,037
Share based payments (Note 13)	-	-	272,410	-	272,410
Balance at 31 December 2022	**19,431,369**	**9,607**	**655,861**	**-**	**20,096,837**
Balance at 1 July 2023	**19,431,369**	**(33,437)**	**436,426**	-	**19,834,358**
Foreign Operations - foreign currency translation differences	-	107,830	-	-	107,830
Share of other comprehensive income of equity-accounted investees		(31,727)		240,937	209,210
Share based payments (Note 13)	-	-	48,212		48,212
Balance at 31 December 2023	**19,431,369**	**42,666**	**484,638**	**240,937**	**20,199,610**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

10. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year. As the ordinary shares issued in July 2021 were for no consideration, the ordinary shares are treated as if issued at the beginning of the financial period.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

	Half-year ended 2023 $	Half-year ended 2022 $
Net loss attributable to shareholders	**(1,214,665)**	**(2,754,239)**
Basic earnings per share	($0.02)	($0.05)
Diluted earnings per share	($0.02)	($0.05)
Net loss attributable to shareholders – continuing operations	**(249,214)**	**(1,625,735)**
Basic earnings per share – continuing operations	($ 0.00)	($ 0.03)
Diluted earnings per share – continuing operations	($ 0.00)	($ 0.03)

The weighted average number of shares in issue for the purpose of calculating basic and diluted earnings per share and basic and diluted adjusted earnings per share are as follows:

	31 December 2023	31 December 2022
Weighted average number of shares in issue		
Basic number of shares outstanding	65,054,613	57,710,298
Dilutive effect of Employee Performance Rights and Options	-	-
Diluted number of shares outstanding	65,054,613	57,710,298

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

11. Intangible Assets

Consolidated	31 Dec 2023 $
Research & development costs (i)	
Cost at 1 July 2023	2,610,289
Cost at 31 December 2023	**2,610,289**
Accumulated amortisation and impairments at 1 July 2023	(434,873)
Amortisation expense	(108,719)
Accumulated amortisation and impairments at 31 December 2023	**(543,592)**
Carrying amount at 1 July 2023	2,175,416
Carrying amount at 31 December 2023	**2,066,697**
Patents & trademarks (ii)	
Cost at 1 July 2023	101,916
Additions	3,000,000
Cost at 31 December 2023	**3,101,916**
Accumulated amortisation and impairments at 1 July 2023	(68,986)
Amortisation expense	(38,178)
Accumulated amortisation and impairments at 31 December 2023	**(107,164)**
Carrying amount at 1 July 2023	32,930
Carrying amount at 31 December 2023	**2,994,752**
License fees (iii)	
Cost at 1 July 2023	20,000
Cost at 31 December 2023	**20,000**
Accumulated amortisation and impairments at 1 July 2023	-
Accumulated amortisation and impairments at 31 December 2023	-
Carrying amount at 1 July 2023	20,000
Carrying amount at 31 December 2023	**20,000**
Total intangible assets at 1 July 2023	2,228,346
Total intangible assets at 31 Dec 2023	**5,081,449**

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

11. Intangible Assets (Cont'd)

(i) Research & development costs

On the 30 of June 2021 the Consolidated Entity recognised internally developed assets transferred from Sunrise Energy Metals Limited (SRL) relating to the technology solutions delivered by the Consolidated Entity at a fair value of $2,610,289. These internally developed assets include the CLEAN-IX® technology in respect of the development stage of the projects Continuous Ion Exchange for secondary effluent treatment for water recycling and Continuous Ion Exchange pre-treatment for reverse osmosis as well as mobile water treatment plant technology. On 30 June 2021, at the time of capitalisation within the Consolidated Entity the estimated useful life of the internally developed assets was reassessed based on a number of factors which ultimately align the useful life of the assets. The estimated useful life was reassessed to be between 11 and 13 years. The CLEAN-IX® and Mobile Water Treatment assets were assessed as available and ready for use for customers from the date of reassessment and have been amortised accordingly.

An assessment was made by management to determine whether any indicators of impairment exist. Indicators assessed included but were not limited to; the Consolidated Entity's market capitalisation, technology obsolescence, changes in laws and regulations and COVID-19. Impairment testing was performed and no impairment was noted.

(ii) Patents & trademarks

On 30 June 2021, the Consolidated Entity recognised patents and trademarks transferred from Sunrise that related to Clean TeQ's operations. Costs relating to patents and trademarks were previously capitalised and amortised over 20 years, which was the expected life of the patents. These patents have been recognised at $101,916 and will continue to be amortised based on the residual expected life. The estimated residual useful life of patents and trademarks recognised is between 2 and 11 years.

On 29 September 2023 the Consolidated Entity was assigned a suite of patents from Soane Labs LLC relating to the ATA® technology for an upfront purchase consideration of $3,000,000 (being the agreed purchase price), settled by 7,178,033 fully paid ordinary shares in Clean TeQ at an issue price of $0.418. The patents were capitalised at the full value of the consideration, which is equal to the fair value of the assets and is being amortised over the expected useful life of 20 years.

(iii) Licenses and intellectual property

On 11 May 2021, upon acquisition of Associated Water Pty Ltd, the Company acquired intellectual property (including licenses) related to the technology solutions being developed by NematiQ at a carrying value of $20,000.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

12. Equity – Share Capital

(a) Issued and fully paid

	31 December 2023		31 December 2022	
	$	No.	$	No.
Ordinary shares	7,685,834	65,054,613	4,704,759	57,710,298

(b) Movement reconciliation

Ordinary Shares	Date	No. of Shares	Issue Price	$
Opening Balance	1 Jul 2023	57,710,298	-	4,704,759
Issue of shares through vesting of performance rights	7 Jul 2023	166,282	-	-
Shares issued in escrow*	21 Sep 2023	7,178,033	.418	3,000,000
Share issue costs (net of tax)				(18,925)
Closing	31 Dec 2023	**65,054,613**		**7,685,834**

*As at 31 December 2023 the 7,178,033 shares issued as consideration for the acquisition of ATA® technology are held in escrow until September 2024.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

13. Share Based Payments

On 21 April 2021, the Company established an Employee Incentive Plan for employees, Directors and service providers of the Consolidated Entity (‘the Plan ‘). The Plan entitles key management personnel, service providers and employees to receive shares and options in the Company.

Performance rights are granted at the discretion of the Board to employees by way of issue at nil cost both at the time of grant and vesting. Vesting is contingent on the Company meeting or exceeding performance hurdles over the performance period. The performance hurdles involve an assessment of the Company’s total shareholder returns in absolute terms and relative to S&P/ASX300 index Group of companies. The ASX 300 Index group of companies is selected on the basis that it presents the best fit for Clean TeQ over the coming years and is an established and ‘live' index. The replacement performance rights were issued at the discretion of the Board and the performance hurdles involve an assessment of the Company’s total shareholder returns in absolute terms relative to the comparator peer groups designated at the original time of issue.

The share-based payment expense recognised in profit or loss of $48,213 (31 December 22: $272,410) results from several schemes summarised below:

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

13. Share Based Payments (Cont'd)

Schemes		31 Dec 2023 $	31 Dec 2022 $
(i)	Employee Incentive Plan (EIP)		
	2020 Tranche 1 EIP Replacement – Rights	-	14,724
	2020 Tranche 2 EIP Replacement – Rights	(110)	30,759
	2021 Tranche 1 EIP Replacement – Rights	14,309	12,549
(ii)	Long Term Incentive (LTI) Award *		
	2022 LTI Award – Tranche 1	5,059	51,484
	2022 LTI Award – Tranche 2	18,463	32,213
	2023 LTI Award	10,492	39,556
(iii)	Initial Equity Grant Plan (Options)	-	91,125
Total expense for the period		**48,213**	**272,410**

*2022 & 2023 tranches include performance rights issued via shareholder approval (Dec 2022: $1,513 Dec 2023: $27,313).

(i) Replacement awards (equity settled)

Equity awarded under the Employee Incentive Plan serve as replacement for instruments issued to employees under the relevant Sunrise Energy Metals Limited (SRL) Employee Plan. The number of restricted performance rights awarded were determined on the number of performance rights previously awarded in SRL under the scheme. In line with the ATO/ASIC/ASX approved plans detailed in the Demerger Booklet, SRL performance rights were cancelled, and replacement Clean TeQ Water (CNQ) performance rights issued. The ATO confirmed the demerger class ruling metrics including the SRL/CNQ cost base allocation ratio at 81.82% / 18.18% based on the relative market caps of the separate companies in the first five days of trading of the Consolidated Entity.

Set out below are summaries of replacement performance rights granted as at 31 December 2023:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Vested	Expired/ Forfeited/ Other*	Balance at the end of the period
31-Aug-21	01-Jul-23	$0.00	528,120	-	(166,282)	(361,838)	-
31-Aug-21	01-Jan-24	$0.00	335,126	-	-	(73,509)	261,617
			863,246	**-**	**(166,282)**	**(435,347)**	**261,617**

*Performance rights forfeited as they did not meet the vesting conditions prior to the expiry date or due to the employee ceasing employment.

The performance hurdles for the Replacement performance rights that expired 1 July 2023 and 1 January 2024 were linked to the Company's absolute TSR performance and if the Company's TSR performance outperforms against a comparator peer group over a three-year period.

(ii) Long Term Incentive Award

Equity awarded under the Group's Long-Term Incentive Award was awarded based on the Group's Employee Incentive Plan.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

13. Share Based Payments (Cont'd)

Set out below are summaries of performance rights granted under the Plan as at 31 December 2023:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted*	Vested	Expired/ Forfeited/ Other**	Balance at the end of the period
07-Sept-21	01-Jul-24	$0.00	448,952	-	-	(137,358)	311,594
30-Sept-21	01-Jul-24	$0.00	161,616	-	-	-	161,616
09-Mar-22	01-Jan-25	$0.00	656,488	-	-	(187,502)	468,986
28-Jul-22	01-Jul-25	$0.00	1,182,276	-	-	(366,509)	815,767
14-Dec-22	01-Jul-24	$0.00	99,496	-	-	-	99,496
14-Dec-22	01-Jan-25	$0.00	129,207	-	-	-	129,207
14-Dec-22	01-Jul-25	$0.00	217,636	-	-	-	217,636
29-Mar-23	01-Jan-26	$0.00	744,197			(201,051)	543,146
01-Nov-23	01-Jan-26	$0.00	-	109,524	-	-	109,524
			3,639,868	**109,524**	**-**	**(892,420)**	**2,856,972**

* New performance rights that were granted during the reporting period all have the same terms and conditions as the previous period under the Long-Term Incentive Plan and as outlined in the 30 June 2023 Annual Report.
These were as follows:

- 109,524 were issued to Executive Director Peter Voigt. The terms and conditions were the same as those issued to staff and were set out in the Notice of the Annual General meeting dated 1 November 2023.

** Performance rights forfeited as they did not meet the vesting conditions prior to the expiry date or due to the employee ceasing employment.

Each performance right, once vested, entitles the performance right holder to receive one fully paid ordinary share in the Company for zero consideration. The fair value of performance rights is determined by an independent third party using a Geometric Brownian Motion Model and a Monte Carlo simulation that takes into account the term of the performance rights, the underlying share price and benchmark share price values at grant date, the expected volatility of the underlying share and benchmark shares, the expected dividend yield of the underlying share and benchmark R&D shares and the risk free interest rate for the term of the performance right.

The valuation model inputs used to determine the fair value at grant date of the performance rights granted during the financial half-year are as follows:

Grant date	Expiry date	Share price at grant date	Volatility	Dividend Yield	Vesting probability	Fair value at grant date
01-Nov-23	01-Jan-26	$0.28	75%	-%	100%	$0.167

Shares issued on vesting of performance rights:

During and since the end of the reporting period, the Consolidated Entity issued ordinary shares of the Company as a result of partial vesting of performance rights (there are no amounts unpaid on the shares issued):

Expiry date	Exercise price	Number of shares issued
1-Jul-23	$0.265	166,282
1-Jan-24	$0.290	114,058

Vesting conditions attached to these performance rights are set out in note 13 (i) of the financial statements.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2023

13. Share Based Payments (Cont'd)

(iii) Options

During the financial half-year nil (31 December 2022: 1,500,000) options to acquire ordinary shares were issued under the Clean TeQ Water Employee Incentive Plan.

Nil options were exercised during the financial half-year (31 December 2022: nil). Nil options were forfeited (31 December 2022: 1,500,000).

14. Provisions

Consolidated	31 Dec 2023 $	30 Jun 2023 $
Provisions – current		
Leased premises provision for make good	(338,219)	(59,952)
Total provisions – current	**(338,219)**	**(59,952)**
Provisions – non-current		
Warranties and contract claims (i)	(788,958)	(835,339)
Total provisions – non-current	**(778,958)**	**(895,339)**

(i) These provisions relate to new technologies with no previous claims experience and as such have been calculated based on managements' estimates for future rectification obligations.

15. Events occurring after the balance sheet date

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 19 to 37 are in accordance with the Corporations Act 2001, including:

> (i) complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
> (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the financial period from 1 July 23 to 31 December 2023; and

(b) at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ian Knight
Chairman

Melbourne, Victoria
29 February 2024

Independent auditor's review report to the members of Clean TeQ Water Limited

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Independent Auditor's Review Report

To the Members of Clean TeQ Water Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Clean TeQ Water Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Clean TeQ Water Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independent auditor's review report to the members of Clean TeQ Water Limited (Continued)

Material uncertainty related to going concern

We draw attention to Note 2(d) in the financial report, which indicates that the Group incurred a net loss of $249,214 during the half-year ended 31 December 2023, and incurred negative operating cashflows of $2,124,776. As stated in Note 2(d), these events or conditions, along with other matters as set forth in Note 2(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 29 February 2024