

APPENDIX 4D

Clean TeQ Water Limited

(ABN 12 647 935 948)

**Interim period report**

Provided under ASX listing rule 4.2A.3

28 February 2025

ASX:CNQ

REPORT FOR THE FINANCIAL HALF-YEAR ENDED 31 DECEMBER 2024

The Report for the Financial Half-Year Ended 31 December 2024 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 2024 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-24	Dec-23	Movement	
	\$000	\$000	\$000	%
Revenue from continuing operations	4,222	7,123	(2,901)	(41%)
Loss from continuing operations after income tax expense for the period attributable to members	(2,290)	(249)	(2,041)	820%
Total comprehensive loss for the period attributable to members	(3,923)	(898)	(3,025)	337%

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 2024	As at 31 December 2023
	\$	\$
Net tangible (liabilities) / assets per ordinary security	(0.01)	0.08

Control gained over entities

Refer to Note 8 Investment in Joint Ventures

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 2024 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 2024.

This report covers the half-year financial period of 1 July 2024 through to 31 December 2024. This period is being compared against the previous period results from 1 July 2023 through to 31 December 2023.

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.

A handwritten signature in black ink, appearing to read "Ian Knight", written over a horizontal line.

Ian Knight

Chairman

28 February 2025

CLEAN TEQ WATER LIMITED
ABN 12 647 935 948

INTERIM FINANCIAL REPORT

for the financial half-year ending
31 December 2024



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Corporate Directory

BOARD MEMBERS

Ian Knight (Chairman)
Peter Voigt (CEO and Executive Director)
Sam Riggall (Non-Executive Director)
Robyn McLeod (Non-Executive Director)

COMPANY SECRETARY

Anita Addorisio

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AUDITORS

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SECURITIES EXCHANGE LISTING

Australian Securities Exchange
ASX Code: CNQ

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 2024 to 31 December 2024, 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 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 consolidated entity's principal ongoing activities focused on delivering innovative filtration and extraction solutions for the world's most pressing lithium, mining and freshwater challenges. These solutions are designed for sustainability and efficiency, addressing global climate challenges by:

- Optimising energy efficiency in industrial and resource recovery processes
- Maximising water and metals recovery to enhance resource sustainability
- Ensuring regulatory compliance for environmental discharges
- Prioritising water reuse and reducing the strain on freshwater resources

Aimed at leveraging advanced engineering and sustainable technologies, the entity remains committed to driving eco-efficient industrial solutions that support a circular economy and responsible resource management.

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 \$2,405,973 (31 December 2024: loss of \$1,214,665).

During the financial half-Year, the Consolidated Entity's revenue from continuing operations was \$4,221,669 (31 December 2023: \$7,123,483).

The Consolidated Entity reported net operating cash outflows for the interim financial period of \$3,030,219 (31 December 2023: \$2,124,776) and at the financial reporting date had cash and deposits of \$1,392,841 (30 June 2024: \$2,149,431).

The Consolidated Entity's business strategy aligns with global trends in energy transition and decarbonisation, leveraging proprietary technologies to tackle key challenges in water conservation, mine rehabilitation and metal extraction. The Company's water projects optimise usage in energy-intensive industries, reducing the energy demands for water treatment and improving efficiency in renewable energy production. Similarly, our metal extraction projects enable sustainable recovery of critical minerals like lithium and copper, essential for batteries and other renewable energy technologies.

During the financial half year, the Consolidated Entity continued to maintain its focus on delivering its ongoing projects in water treatment and metals recovery as well as completing several demonstration projects aimed at procuring contracts in future years.

The Company's technology suite is well-positioned to serve those segments of the water industry dealing with freshwater scarcity – a growing global problem. Separation and purification technology using ion exchange and membrane technology is becoming increasingly utilised to treat polluted freshwater sources to allow reuse. There is also a strong push to find ways to convert the contaminants to value-added products.

In the water space, Clean TeQ is finalising the delivery of a contract for a water disinfection plant to allow water reuse for the Townsville City Council. The contract was one of the largest the Company has undertaken with practical completion due in the next quarter.

Clean TeQ was awarded a contract by ENVA to deliver a water treatment plant to remove phosphate in Ireland. This represents further validation of the efficacy of CNQ's technology and an example of the Company's ability to treat global water challenges, as it was able to supply the best and most affordable solution in competition with other major water treatment companies internationally.

Outside of fresh water, mine tailings storage is an enormous opportunity and the Company's work managing mine tailings with its ATA[®] rapid dewatering technology is gaining momentum. Test work has now been conducted on several tailings sources, from iron ore through to mineral sands, and the technology has delivered excellent results. Working with some of the most experienced tailings consultants worldwide, the Company is presenting the results of the work at major conferences to provide validation of the technology. Large-scale demonstration is now starting in South Africa and details of the outcome will be available in the next quarter.

The Company's Joint Venture, Go2Lithium, continued to progress during the half year and achieved excellent results in lithium extraction and purification. The lithium market however has experienced challenges over the last year or so and has placed considerable strain on the lithium asset owners. As such, LithiumBank has decided to suspend the operation of the pilot plant and re-evaluate the project in light of the market. The Company is currently in advanced discussions with other asset owners to take over ownership of the cDLE[®] plant.

The deployment of NematiQ's Graphene Membranes now requires investment in production facilities. The development of membrane applications is continuing while an equity partner is sought.

The Company continues to advance the Heathgate uranium project with its cutting-edge resource recovery technology. The upgrade aims to enhance efficiency, sustainability, and uranium production capacity. Its progress remains on time and budget.

To shore up future contracts, the Company is also conducting test programs and demonstrations on the removal of other water pollutants, namely sulphate and selenium. As a result of the successful demonstration, we are confident of entering a contract in the next quarter for a commercial plant.

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. As per the project timeline, Clean TeQ has now completed the equipment delivery and Heathgate Resources has completed the installation. Commissioning of the plant is occurring in the next quarter (Q3).

The \$10M contract for the Townsville Water Recycling Project has entered its final commissioning phase, marking a major step toward enhancing water sustainability in the region. Once fully operational, the project will boost recycled water use, reduce reliance on freshwater sources, and support environmental conservation in the region.

The Company, with ENVA, has secured an \$11M contract to deploy its innovative PHOSPHIX[®] technology for phosphate removal and recovery from industrial waters. This project strengthens sustainable water treatment efforts, enhancing environmental protection and resource recovery across Europe and the UK.

This project is important as excess phosphorus in industrial wastewater can lead to eutrophication, causing harmful algal blooms and ecosystem damage. PHOSPHIX® helps prevent this by efficiently removing phosphate before discharge. Cleaner industrial discharge leads to healthier water bodies, benefiting local communities and ecosystems.

During the period, the Company completed a demonstration of its DESALX® technology for Nyrstar in Belgium to remove sulphate and selenium from a refinery wastewater stream. The successful demonstration marks a critical step towards full-scale implementation. A contract for the design and delivery of a commercial plant is expected in the next quarter.

In August 2024, the Company contracted to design and manufacture a mobile treatment plant, using BIOCLENS® biotechnology, for the rehabilitation of a nitrate-impacted storage facility. The plant was manufactured and then commissioned in December 2024. This is the first commercial operation in Australia to use the Company's unique encapsulated bacterial technology.

Partnerships and Joint Ventures

The Company increased its percentage ownership in Go2Lithium Inc. ("G2L") to 60% by vending in the right to use the Graphene Membrane technology in lithium associated projects. Graphene Membranes have the potential to be important in the pre-treatment of lithium-containing brines prior to DLE. The Graphene Membrane's ability to remove organics without removing salts is seen as a big advantage in this application.

In the past six months, Go2Lithium Inc., the Consolidated Entity's joint venture, successfully commissioned and operated the cDLE® (continuous Direct Lithium Extraction) pilot plant at LithiumBank's Calgary facility. The primary objective was to complete a 100-hour continuous lithium extraction campaign using brine from the Boardwalk project. The process demonstrated strong performance, achieving over 98% lithium recovery and producing a 3,000 mg/L lithium eluate. The sorbent used in testing however lacked the mechanical strength to endure multiple extraction cycles. As a result, while the initial cycle yielded excellent results, the campaign did not fully meet Milestone 1 requirements, and the additional shares were not vested.

Given the current depressed state of the lithium market, LithiumBank have opted to conserve capital and paused further testing until the market improves. The LithiumBank agreement and licence arrangements remain in force at this time. Meanwhile, the Company is actively negotiating with other lithium asset owners to pilot the cDLE® technology on alternative projects.

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'). The Company has continued to support BEIE's efforts in China where they are progressing a large-scale demonstration of the CIF® technology for hardness removal at a coalmine in China.

PROJECTS

Clen TeQ is advancing its proprietary technologies in key global markets impacted by climate change and the energy transition, while delivering value for shareholders. The demand for solutions in these sectors is driven by freshwater scarcity and the need for critical metals like lithium and uranium.

Clean TeQ's projects directly address these challenges:

- Metal recovery – Providing essential metals through projects like the Heathgate uranium and LithiumBank lithium initiatives.
- Water scarcity – Deploying HIROX® technology in the Middle East, where freshwater shortages are increasingly shaping environmental policies for fossil fuel producers.

These projects demonstrate Clean TeQ's capabilities and help overcome "innovation risk" hurdles, paving the way for broader commercial deployment in high-impact markets.

ENVA – PHOSPHIX® (Ireland)

In November 2024, the Company secured a contract valued at approximately €7 million (over AU\$11 million) with its partner ENVA to design and supply a PHOSPHIX® plant in Ireland. This follows successful laboratory and on-site pilot tests, demonstrating the technology's effectiveness in reducing wastewater phosphate levels to below 1 mg/L, aligning with strict EU environmental regulations. The plant will be engineered for high water recovery (~99%) and will produce a minimal solid phosphate by-product for disposal. The project timeline includes a 56-week equipment delivery, 18-week installation by ENVA's end user, and an 8-week commissioning phase.

As Europe tightens phosphate discharge regulations, PHOSPHIX® offers an economical and sustainable solution for phosphate reduction and recycling.

This contract builds on Clean TeQ's December 2022 cooperation agreement with Enva Ireland Ltd, granting Enva 24 months of exclusivity to deploy HIROX®, DESALX®, and PHOSPHIX® across dairy, pharmaceutical, municipal, and industrial sectors in Ireland and the UK. These new sectors represent significant expansion opportunities following successful trials.

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

In November 2022, the Company entered a significant contract valued at around AU\$10 million with civil engineering partner, A. Gabrielli Construction. The contract's objective is to construct and deliver a state-of-the-art Recycled Water Treatment Facility with a capacity of 15 megalitres per day at the Cleveland Bay Purification Plant. The project is an integral part of a larger agreement aimed at providing water treatment and distribution services for the Townsville City Council.

Under the contract, the head contractor, AGC, is responsible for the integrated design and construction of the Recycled Water Treatment Facility ('RWTF') at Cleveland Bay Purification Plant, including all civil and infrastructure works. Clean TeQ is responsible 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.

This project has now successfully transitioned to commissioning stage with process proving expected to conclude in the current quarter. This marks the final phase before the plant becomes fully operational, highlighting the success of extensive planning, development, and collaboration.

Heathgate Resources Uranium Project (South Australia, Australia)

In September 2023, the Consolidated Entity was awarded a contract, valued at around AU\$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.

Significant progress has been made during the financial reporting period through careful planning, strong execution, and close collaboration with our partners. The plant utilises Clean TeQ's proprietary Uranium Ion Exchange Process, an advanced ion exchange technique optimised for efficient uranium recovery.

Key milestones during the financial reporting period include the delivery and installation of all mechanical equipment. The Consolidated Entity commenced training and commissioning in February 2025 with completion due within the March 2025 quarter.

The deployment of uranium and other mineral recovery plants is a strategic priority for Clean TeQ, reinforcing its role in sustainable mining. The CLEAN-IX® U-Column technology enhances uranium eluate grade, reduces water consumption, and optimises operational efficiency, further solidifying Clean TeQ's position as a leading technology provider in the uranium sector.

Go2Lithium – LithiumBank cDLE®

The Consolidated Entity has granted exclusive lithium processing licenses to its 60%-owned subsidiary, Go2Lithium (previously a 50% joint venture), for use by its wholly owned subsidiary, G2L Greenview Resources Inc., in advancing LithiumBank's lithium brine assets in Alberta. Go2Lithium Inc., currently holds an interest in 4,000,000 shares of LithiumBank (TSX.V: LBNK).

During the half-year financial reporting period, LithiumBank officially opened its Calgary indoor cDLE pilot facility on schedule on July 10, 2024, with Alberta's Energy Minister, Brian Jean, participating in the opening ceremony. This milestone marked a significant step in unlocking Alberta's lithium resources. The pilot plant's continuous Direct Lithium Extraction (cDLE®) technology achieved over 98% lithium recovery from LithiumBank's Boardwalk brine in west-central Alberta, producing a 3,000 mg/L lithium eluate. A simple precipitation process was then used to remove impurities, concentrating the solution to 18,000 mg/L as a feedstock for carbonation, crystallisation, and recrystallisation. The final lithium carbonate product was independently analysed and confirmed to be 99.95% pure, meeting battery-grade specifications.

The lithium market in 2024-25 has faced significant downturns due to oversupply, weakening demand and price volatility. A surge in global lithium production, particularly from Australia, Chile and China, has led to an oversupply, outpacing demand growth from the EV and battery sectors. Additionally, economic slowdowns, shifting government policies and delays in EV adoption have further pressured prices. Many lithium producers have scaled back operations and deferred projects to navigate the challenging market conditions. LithiumBank like many others has taken the decision to conserve cash and has elected to cancel further pilot testwork at this time.

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 an AU\$313K contract to conduct a pilot project utilising our DESALX® technology for the removal of sulphate and selenium from a refinery wastewater stream for Nyrstar Belgium.

The pilot trials of the DESALX® system successfully demonstrated excellent removal of sulphate and selenium from smelter wastewater in a cost-effective and sustainable manner. These results highlight the system's potential to address industrial wastewater challenges. Commercial negotiations are now underway for the detailed design and delivery of a full-scale system.

Mine Tailings Management ATA®

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.

The Company, following the acquisition of ATA® technology, has embarked on an intense development program where many mine tailings have been tested at laboratory scale. The ATA® technology has performed exceptionally well and now is being seen as a 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 and South Africa. During the financial reporting period, several benchtop studies using ATA® technology were completed, yielding promising results. In one study on Pb-Zn tailings, ATA® successfully produced fully desaturated, dry-stackable tailings using low-pressure filtration. In another collaborative study with BHP, ATA® achieved an order of magnitude improvement in both filtration efficiency and the rate of tailings consolidation. The company is in discussions with BHP to advance the study to the piloting phase along with several other studies that are

expected to progress to piloting or demonstration soon.

NematiQ and Graphene Membrane Technology

NematiQ, a 100% owned subsidiary of Clean TeQ, is advancing the manufacturing and application of Graphene Membranes for water treatment and industrial separations. This hyperfiltration technology represents a significant innovation in membrane filtration, removing organic contaminants at low pressure while retaining essential salts, resulting in lower energy consumption and reduced fouling compared to conventional nanofiltration and reverse osmosis systems.

During the financial half-year reporting period, NematiQ was awarded an AU\$80k Commonwealth Simple Grant under the BR11: Renewables and Low Emissions Round – Feasibility program. This funding will support a feasibility study to assess the application of NematiQ's Graphene Membrane's effectiveness in treating drinking water treatment for remote communities. The study will evaluate its ability to remove bacteria, viruses, heavy metals and organic pollutants, alongside an economic and sustainability analysis for broader deployment.

Discussions are ongoing with potential manufacturing partners capable of producing the support membrane required for commercial-scale production. A collaborative approach will ensure that Graphene Membrane technology can be manufactured cost-effectively, aligning its price with the performance benefits it delivers.

CORPORATE

Placement and Share Purchase Plan

The Company raised (before transaction costs):

- \$200,000 via a Placement (Placement – Tranche 2) to sophisticated and institutional investors at an issue price of \$0.31 per share.
- \$608,100 pursuant to the Company's Share Purchase Plan at an issue price of \$0.31 per share.

During the half-year reporting period the Company issued the following securities:

Shares

- 1,961,569 shares issued pursuant to the Company's Share Purchase Plan (SPP);
- 645,162 shares issued via a Placement (Placement – Tranche 2).

Listed Options

- 637,703 options exercisable at \$0.45 (expiring 30 April 2026) issued pursuant to the Company's Share Purchase Plan (Share Purchase Plan);
- 16,128 options issued to directors exercisable at \$0.45 (expiring 30 April 2026) issued pursuant to the Company's Share Purchase Plan (Share Purchase Plan);
- 1,488,957 options exercisable at \$0.45 (expiring 30 April 2026) issued via Placement (Tranche 1); and
- 215,054 options exercisable at \$0.45 (expiring 30 April 2026) issued via Placement (Tranche 2).

Convertible Notes

On 6 December 2024 the Company issued 1,000,000 convertible notes ('Notes') with a face value of \$1.00 each.

Term Loan Facility

On 30 July 2024, the Company announced that it had entered into a term loan funding agreement with Amal Security Services Pty Limited (as trustee for Causeway Wholesale Private Debt Master Fund) ('Causeway') for a debt financing facility ('Term Loan Facility') of up to \$2 million.

The Term Loan Facility consists of a Senior Secured Debt Facility of \$2 million. The initial loan term is 2 years, with an option for Clean TeQ to extend the Term Loan Facility for a further 12 months.

The decision to utilise a debt financing facility was announced as part of the total funding package on 29 April 2024 and follows the completion of an SPP.

4. Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

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 2024 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

Clean TeQ continues to drive its core values, innovate, own and collaborate into its growth strategy by concentrating its efforts and presence in sectors that require the most solutions to aid sustainability. This includes climate change mitigation and decarbonisation with a strong focus on freshwater scarcity, water reuse, critical metal recovery, and mine tailings management. The Company's collaborative projects in these critical sectors including the r Go2Lithium joint venture (JV) remains a cornerstone of future value for the Company as legislation supports industry growth and lithium metal prices recovery.

Water stress continues to intensify worldwide due to climate change, population growth, and industrial expansion and it is estimated that the global demand for freshwater will exceed supply by 40% by 2030.

Action is being taken by governments who are regulating use and corporations that are investing in water recycling, desalination, and advanced wastewater treatment to ensure long-term water security. The biggest challenge remains in deploying a solution that can affordably and effectively purify water to offer both fresh water and the material removed from the water end product. Clean TeQ's proprietary water purification and reuse technologies maximize recovery rates while minimizing energy use and waste generation.

Another priority for the Company remains capitalising on the opportunities unfolding in the energy metals sector, specifically as demand for lithium and other battery metals remains strong. Efficient and sustainable extraction methods are now a top priority for the industry and Clean TeQ's continuous Ion Exchange technology continue to gain ground in the marketplace as companies recognise the efficiencies the technology provides.

The demand for lithium-ion batteries in EVs and energy storage as the global push for decarbonization and electrification sees a rising interest in direct lithium extraction (DLE) as a cleaner, more efficient alternative to traditional methods. Furthermore, government incentives and policies supporting domestic lithium refining capacity.

The Go2Lithium joint venture, leveraging our innovative continuous Direct Lithium Extraction (cDLE) technology, positions Clean TeQ at the forefront of the lithium revolution. cDLE provides higher lithium recovery rates compared to conventional evaporation ponds, faster processing times, increasing project efficiency lower environmental impact, reducing water and chemical use and scalability to meet the growing needs of lithium producers. By integrating our expertise in water treatment and metal recovery, Go2Lithium offers a cost-effective, sustainable solution to lithium extraction challenges, making it a key growth driver for Clean TeQ in the coming years.

Mining operations are under growing pressure to improve tailings management and reduce environmental risks. The industry is actively seeking solutions that enable waste reduction, resource recovery, and regulatory compliance. As stricter global regulations on mine waste disposal and tailings storage there is a rising interest in reprocessing tailings to recover valuable metals and cost-effective water treatment solutions. Clean TeQ's advanced metals recovery and water purification technologies have proven to have the capabilities to assist mining companies reduce waste, extract valuable

materials, and meet stringent environmental standards.

With strong sector demand and the added momentum from the Go2Lithium JV and the Heathgate uranium project, along with the inroads we are making into the European markets, Clean TeQ is positioned for significant growth across its key markets. It expects to see increased adoption of lithium extraction solutions, establishing Go2Lithium as an innovator in DLE technology and on-going industrial and municipal needs will continue to drive expansion in water reuse and wastewater treatment.

The Company continues to strengthen its partnerships with water, mining and energy companies to leverage its capabilities in sustainable freshwater reuse, and tailings and metal recovery solutions. Its innovative solutions support the global transition to a low-carbon economy, reinforcing Clean TeQ's role as a leader in sustainable water and resource management. With rising demand across all core sectors, the Company anticipates strong business growth, an expanding project pipeline, and increased global market penetration in 2025 and beyond.

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 12.

Signed in accordance with a resolution of Directors at Melbourne, Victoria on 28 February 2025.

On behalf of the directors



Ian Knight

Chairman

Melbourne, Victoria

28 February 2025

Grant Thornton Audit Pty Ltd

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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 2024. 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, 28 February 2025

Clean TeQ Water Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial half-year ended 31 December 2024

	Note	Half-year ended 2024 \$	Half-year ended 2023 \$
Revenue		4,221,669	7,123,483
Other Income		677,504	578,330
Total revenue and other income	4	4,899,173	7,701,813
Raw materials and other direct costs	5	(2,263,552)	(5,377,945)
Employee benefits expenses	6	(2,497,651)	(3,053,595)
Legal & professional expenses		(379,730)	(279,326)
Occupancy expenses		(201,393)	(149,340)
Travel & entertainment expenses		(103,450)	(147,411)
Marketing & communication expenses	5	(141,162)	(87,921)
Research & development expenses		(118,848)	(101,081)
Other expenses	5	(847,262)	(691,037)
Operating loss from continuing operations before finance costs		(1,653,875)	(2,185,843)
Net finance income	5	(192,840)	10,074
Share of Profit of equity-accounted investees, net of tax	8	(442,883)	1,926,555
Loss from continuing operations before income tax		(2,289,598)	(249,214)
Income tax expense		-	-
Loss from continuing operations after income tax expense for the period attributable to the owners of the Company		(2,289,598)	(249,214)
Discontinued Operations			
Loss for the year from discontinued operations net of tax	7	(116,375)	(965,451)
Loss for the period		(2,405,973)	(1,214,665)
Loss for the period attributable to:			
The owners of the company		(2,349,300)	(1,214,665)
Non-controlling interests		(56,673)	-
Other comprehensive Income			
Fair value loss on equity instrument investments designated at FVTOCI		(721,811)	-
Foreign Operations - foreign currency translation differences		(296,952)	107,830
Share of other comprehensive income of equity-accounted investees	8	(834,652)	209,210
Other comprehensive (loss)/ Income for the period		(1,853,415)	317,040
Total comprehensive loss for the period		(4,259,388)	(897,625)
Total comprehensive loss for the period attributable to:			
The owners of the Company		(3,923,207)	(897,625)
Non-controlling interests		(336,181)	-
Total and continuing earnings per share:			
Basic earnings per share (\$) – total	10	(0.03)	(0.02)
Diluted earnings per share (\$) – total	10	(0.03)	(0.02)
Basic earnings per share (\$) – continuing operations	10	(0.03)	(0.00)
Diluted earnings per share (\$) – continuing operations	10	(0.03)	(0.00)

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 2024

	Note	31 Dec 2024	30 June 2024
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		1,103,857	1,933,230
Restricted cash & other financial assets		288,984	216,201
Receivables and prepayments		3,072,596	2,985,679
Contract assets		1,150,347	559,700
Research and development incentive receivable		647,264	435,379
Available-for-sale-financial assets	18	1,129,792	-
Total Current Assets		7,392,840	6,130,189
Non-Current Assets			
Contract assets		237,755	237,755
Property, plant, and equipment		567,794	558,649
Right-of-use assets		722,122	11,625
Investments in joint ventures	8	-	1,497,092
Intangible assets	11	4,712,656	4,897,053
Amounts due from related parties		-	50,509
Income tax assets		128,929	-
Total Non-Current Assets		6,369,256	7,252,683
Total Assets		13,762,096	13,382,872
Liabilities			
Current Liabilities			
Trade and other payables		2,687,806	2,237,417
Contract liabilities		1,928,153	1,241,755
Lease liabilities		68,448	75,340
Employee benefits		601,501	623,037
Provisions	15	456,250	338,220
Interest bearing liabilities	17	206,625	267,960
Total Current Liabilities		5,948,783	4,783,729
Non-Current Liabilities			
Lease liabilities		665,279	-
Interest bearing liabilities	17	1,541,841	-
Deferred tax liability		60,118	-
Employee benefits		93,449	86,697
Provisions	15	642,563	933,272
Other financial liabilities		487,782	-
Total Non-Current Liabilities		3,491,032	1,019,969
Total Liabilities		9,439,815	5,803,698
Net Assets		4,322,281	7,579,174
Equity			
Share capital	12	9,426,926	8,900,768
Reserves	9	18,234,497	19,507,362
Accumulated losses		(23,178,256)	(20,828,956)
Non-controlling interests	16	(160,886)	-
Total Equity		4,322,281	7,579,174

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 2024

	Note	Share Capital	Accumulated Losses	Reserves	Non-controlling Interests	Total Equity
		\$	\$	\$	\$	\$
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)	-	-	(1,214,665)
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		-	-	48,212	-	48,212
Balance at 31 December 2023		7,685,834	(17,764,322)	20,199,610	-	10,121,122
Balance at 1 July 2024		8,900,768	(20,828,956)	19,507,362	-	7,579,174
Loss after income tax for the period		-	(2,349,300)	-	(56,673)	(2,405,973)
Fair Value Gain on investments in equity instruments designated as at FVTOCI		-	-	(433,657)	(288,154)	(721,811)
Foreign Operations - foreign currency translation differences		-	-	(305,598)	8,646	(296,952)
Share of other comprehensive income of equity-accounted investees		-	-	(834,652)	-	(834,652)
Total comprehensive loss for the period		-	(2,349,300)	(1,573,907)	(336,181)	(4,259,388)
Transactions with owners in their capacity as owners:						
Issue of ordinary shares	12	808,101	-	-	-	808,101
Transaction costs relating to issue of ordinary shares		(281,943)	-	-	-	(281,943)
Fair value of options granted		-	-	179,644	-	179,644
Issue of convertible notes		-	-	48,721	-	48,721
Share-based payments	13	-	-	72,677	-	72,677
Total contributions and distributions		526,158	-	301,042	-	827,200
Changes in ownership interests						
Stepped acquisition of subsidiary with NCI		-	-	-	175,295	175,295
Balance at 31 December 2024		9,426,926	(23,178,256)	18,234,497	(160,886)	4,322,281

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 2024

	Half-year ended 2024 \$	Half-year ended 2023 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,714,699	8,294,698
Payments to suppliers and employees (inclusive of GST)	(6,769,280)	(10,614,536)
Payments for security deposits	(72,783)	-
Government grants received	80,000	178,212
Interest received	17,145	16,850
Net cash used in operating activities	(3,030,219)	(2,124,776)
Cash flows from Investing activities		
Payments for property, plant, and equipment	(47,119)	(14,755)
Proceeds from sale of property, plant and equipment	5,488	-
Acquisition of investments in joint ventures	-	(1,164)
Acquisition of subsidiaries, net cash acquired	1,943	-
Net cash from investing activities	(39,688)	(15,919)
Cash flows from financing activities		
Proceeds from issue of shares, net of costs	705,803	(18,925)
Proceeds from borrowings, net of transaction costs	951,882	-
Repayment of borrowings and interest	(247,203)	(164,903)
Repayment of lease liabilities and interest charges	(86,058)	(30,965)
Proceeds from issue of convertible notes	1,000,000	-
Net cash used in financing activities	2,324,424	(214,793)
Net increase in cash and cash equivalents	(745,483)	(2,355,488)
Cash and cash equivalents at the start of the period	1,933,230	4,631,686
Effects of exchange rate changes on cash and cash equivalents	(83,890)	(20,329)
Cash and cash equivalents at the end of the period	1,103,857	2,255,869

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 2024

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 Group' 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:

1, 40 Ricketts Road
Mount Waverley, Victoria 3149
Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

2. Material accounting policies

(a) Basis of preparation

These general-purpose financial statements for the financial half-year reporting period ended and 31 December 2024 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 judgements, estimates and assumptions

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 this Note 2, (e).

(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 2024

2. Material 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 \$2,289,598 (31 December 2023: loss of \$249,214), incurred negative operating cash flows of \$3,030,219 (31 Dec 2024: \$2,124,776) and the Consolidated Entity's position as at 31 December 2024 was as follows:

- The Consolidated Entity had cash reserves inclusive of restrictive security deposits of \$1,392,841; and
- The Consolidated Entity had net assets of \$4,322,281.

The Directors have taken the following matters into consideration in forming a view that the Group is a going concern, amongst other matters:

- The Consolidated Entity earned \$4,221,669 in sales revenue during the financial half-year and currently has a program of works in excess of this amount still to be completed.
- In November 2024, the Company secured a contract valued at approximately €7 million (over AU\$11 million) with its partner ENVA to design and supply a PHOSPHIX® plant in Ireland.
- The Consolidated Entity expects to receive cash rebates from the Australian Tax Office for eligible research and development expenditure incurred in FY2024. A cash rebate relating to a tax period ending 30 June 2024 of \$576,548 is expected to be received in the March 2025 quarter. In addition, the Consolidated Entity has booked a \$70,716 receivable for an estimated refund due to it for some of its Research & Development expenditure incurred during the tax period 1 July 2024 to 31 December 2024.
- 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.
- Paid pilot projects are currently in progress in South America, Europe, South Africa and Australia, the final step before the customer decides on project award. A contract for the design and delivery of a commercial plant from one of these pilots is anticipated in the next quarter.
- The Consolidated Entity holds 4 million common shares being approximately 8.63% of the issued shares in the capital of LithiumBank Resources Corp. The approximate value was CAD\$0.26 per share representing CAD \$1.1m (AUD\$1.2m).
- A debt financing facility with Amal Security Services Pty Limited of \$2m which was drawn to \$1m as at balance date. This leaves an amount of \$1m available to be drawn down over the next 18 months with an option to extend for a further 12 months.
- 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 2026.

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 2024

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.

As at the reporting date, the Consolidated Entity has convertible notes on issue with a face value of \$1 million due to mature in 18 months. The conversion option embedded in the convertible notes allows the holders to convert the debt into equity at the discretion of the holder, provided the share price reaches a pre-agreed level of \$0.31 prior to maturity.

The major shareholder holds these convertible notes and has indicated a strong interest in supporting the Company's financial position. Given the shareholders' significant stake in the Company, it is anticipated that they will exercise the conversion option, thereby converting the notes into equity and alleviating any immediate cash flow pressure. This would result in a reduction in the Company's liabilities and a potential improvement in its liquidity position.

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

Income tax and withholding tax provisions

During the financial reporting period, the Group increased its interest in Go2Lithium Inc from 50% to 60%. Go2Lithium is 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 2024

2. Material accounting policies (Cont'd)

(d) Going concern (Cont'd)

Provisional business combination accounting for the stepped acquisition of a controlling share of former equity-accounted investees

As disclosed in Note 8 – Investments in Joint Ventures, the Group obtained control of Go2Lithium Inc, and its wholly owned subsidiary, G2L Greenview Resources Inc., on 15 October 2024 through a stepped acquisition, increasing its ownership from 50% to 60%. A critical judgement was required in determining the accounting treatment of the additional 10.08% interest acquired in exchange for an exclusive license for the Group's Graphene Membrane technology. The fair value of the additional interest was treated as consideration received for the disposal of the license, resulting in a gain recognized in profit or loss. The fair value of the Group's previously held equity interest was assessed to be equal to its carrying value, as all underlying assets had been marked-to-market prior to acquisition. From the acquisition date, the Group has consolidated Go2Lithium Inc, recognising its identifiable assets and liabilities at fair value.

(f) Investments in equity instruments designated 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.

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 Canada (“Worldwide”), and China offering water treatment solutions (“Water”), metal resource recovery solutions (“Critical Metals”), mine tailings management (“Mine Tailings”), 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 2024								
Geographic Location: Division:	Worldwide *					Total	China	Total
	Water	Critical Metals	Mine Tailings	Tech	Reconciling Items	Continuing	Discont'd *	
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue and other income								
Revenue from contracts with customers	1,254,793	1,680,990	-	-	-	2,935,783	9	2,935,792
Test work & pilot plants	603,790	266,672	331,945	-	-	1,202,407	-	1,202,407
Product sales revenue	10,909	-	-	72,570	-	83,479	466	83,945
R&D tax incentive income	-	-	-	211,885	-	211,885	-	211,885
Government grant income	-	-	-	80,000	-	80,000	-	80,000
Gain on the disposal of the license rights	-	-	-	-	49,739	49,739	-	49,739
Net foreign exchange gain	-	-	-	-	335,880	335,880	(20,317)	315,563
Other income	-	-	-	-	-	-	50,176	50,176
Total revenue and other income	1,869,492	1,947,662	331,945	364,455	385,619	4,899,173	30,334	4,929,507
EBITDA	(262,298)	128,012	104,485	73,558	(1,918,159)	(1,874,402)	(73,171)	(1,947,573)
Depreciation expenses						(37,959)	(43,115)	(81,074)
Amortisation expenses						(184,397)	-	(184,397)
Net finance costs						(192,840)	(89)	(192,929)
Loss after income tax expense						(2,289,598)	(116,375)	(2,405,973)

* The Canadian operations have no material local costs and no local staff, and the operations are supported from Australia and charged at arms-length. Following consolidation on the 15 October 2024, any such charges are eliminated in the Group results. In the period from the 15 October 2024 to 31 December 2024, the Canadian operations contributed no revenue, operating expenses of \$140,223, and a fair value loss of \$721,811 was recognised in other comprehensive income.

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 2023							
Geographic Location: Division:	Australia				Total	China	Total
	Water	Critical Metals	Tech	Reconciling Items	Continuing	Discont'd *	
	\$	\$	\$	\$	\$	\$	\$
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)

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

4. Revenue and other income

Consolidated	31 Dec 2024	31 Dec 2023
	\$	\$
Revenue		
Revenue from contracts with customers	2,935,783	5,317,760
Intellectual property revenue	-	400,000
Test work & pilot plants	1,202,407	299,392
Aftermarket spares & services	-	101,026
Product sales revenue	83,479	45,918
Service fee income	-	959,387
Total revenue from contracts with customers	4,221,669	7,123,483
Other income		
R&D Tax Incentive income	211,885	400,095
Government grant income	80,000	178,212
Gain on disposal of license rights	49,739	-
Net foreign exchange gain	335,880	-
Other income	-	23
Other income	677,504	578,330
Total revenue and other income	4,899,173	7,701,813

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 previous financial half-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 2024

5. Expenses

Consolidated	31 Dec 2024	31 Dec 2023
	\$	\$
Raw materials and other direct costs		
Raw Materials	(1,506,262)	(4,057,574)
Subcontractors & consultants	(455,976)	(829,221)
Other direct costs (Warranty provision, project travel, freight)	(301,314)	(491,150)
Total raw materials and other direct costs	(2,263,552)	(5,377,945)
Marketing & communication expenses		
Marketing expenses	(32,791)	(35,003)
Corporate promotion	(108,371)	(52,918)
Total marketing expenses	(141,162)	(87,921)
Other expenses		
Insurance expense	(150,369)	(167,776)
Realised foreign exchange loss	-	(129,912)
Depreciation & amortisation expenses	(222,356)	(169,441)
Other taxes & Charges	(171,453)	-
FVTPL loss on derivatives	(158,978)	-
Other expenses (Corporate, IT, office expenses)	(144,106)	(223,908)
Total other expenses	(847,262)	(691,037)
Net Finance Costs		
Finance income	17,114	16,716
Finance costs	(209,954)	(6,642)
Total net finance income	(192,840)	10,074

6. Employee Benefits

Consolidated	31 Dec 2024	31 Dec 2023
	\$	\$
Employee Benefits Expenses		
Wages and salaries	(1,541,821)	(1,890,040)
Employee entitlements	(79,627)	(116,547)
Superannuation	(189,227)	(229,568)
Equity settled share-based payments	(72,677)	(48,213)
Contractors and consultants	(283,892)	(237,486)
Other costs	(330,407)	(531,741)
Total employee benefits expenses	(2,497,651)	(3,053,595)

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 discontinued 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 disposal process remains ongoing as at the reporting date, and the operations have not been fully discontinued due to operational and project wind-down, regulatory considerations, and supplier negotiations.

Results of discontinuing operations	31 Dec 2024	31 Dec 2023
	\$	\$
Loss for the year from discontinued operations		
Revenue	474	152,863
Other income	50,176	-
Total revenue and other income	50,650	152,863
Expenses	(167,025)	(1,118,314)
Loss from discontinued operations before tax	(116,375)	(965,451)
Income tax expense	-	-
Loss from discontinued operations	(116,375)	(965,451)
Cash flows from discontinuing operations		
Net cash used in operating activities	(79,161)	(244,687)
Net cash used in investing activities	-	-
Net cash used in financing activities	(77,788)	(30,965)
Net cash flow for the period	(156,949)	(275,652)

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

8. Investments in joint ventures

Investments in joint ventures comprised the Group's interest in the formerly equity-accounted investee, Go2Lithium Inc. On the 15 October 2024, the Group's ownership interest in Go2Lithium Inc increased from 50% to 60%, thereby obtaining control over Go2Lithium Inc. Prior to this transaction, the investment in Go2Lithium Inc was accounted for using the equity method.

On the 14 October 2024, the Group re-measured the fair value of its equity-accounted interest in Go2Lithium Inc and determined that the fair value was equal to its carrying value, as all the underlying assets were marked-to-market at that date and the Group's proportionate share in equity had been recognised.

	14 Oct 2024	30 Jun 2024
	\$	\$
Summarised statement of financial position of Go2Lithium Inc		
Current assets	2,089,532	3,508,721
Non current assets	122,870	126,491
Current liabilities	(1,667,602)	(532,217)
Non current liabilities	(105,696)	(108,811)
Equity	439,104	2,994,184
Group's share in equity – 50%	219,552	1,497,092
Group's carrying amount of the investment	219,552	1,497,092

The additional interest of 10.08% was acquired as consideration for the transfer of an exclusive license for the use of the Group's Graphene Membrane technology in the filtration of lithium brines. This resulted in a gain on the disposal of the license transferred, recognized in profit or loss. From the acquisition date of 15 October 2024, the Group has consolidated the financial statements of Go2Lithium Inc and the identifiable assets and liabilities of Go2Lithium Inc were recognized at their fair values as of the acquisition date.

	15 Oct 2024
	\$
Summarised statement of financial position of Go2Lithium Inc	
Fair value of previously held interest	219,552
Fair value of consideration transferred	44,257
Fair value of non-controlling Interest recognised	175,295
	439,104
Recognised value of net identifiable assets	(439,104)
Goodwill	-

Revenue and loss contribution

The acquired business contributed no revenues and a net loss of \$140,223 to the group for the period from 15 October 2024 to 31 December 2024. If the acquisition had occurred on 1 June 2024, consolidated revenue and consolidated loss after tax for the half-year ended 31 December 2024 would have been \$4,518,491 and \$2,848,856 respectively.

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

8. Investments in joint ventures (Cont'd)

	14 Oct 2024	31 Dec 2023
	\$	\$
Summarised statement of profit or loss and other comprehensive income of Go2Lithium Inc		
Revenue	296,822	4,404,535
Expenses	(1,182,587)	(374,677)
(Loss)/Profit before tax	(885,765)	4,029,858
Income tax expense	-	(176,748)
(Loss)/Profit for the period	(885,765)	3,853,110
Group's share of (loss)/profit for the period – 50%	(442,883)	1,926,555
Foreign Operations - foreign currency translation differences	(41,328)	(63,454)
Equity investments at FVOCI - net change in fair value	(1,627,976)	481,874
Other comprehensive income for the period	(1,669,304)	418,420
Group's share of other comprehensive income for the period – 50%	(834,652)	209,210
Total comprehensive income for the period	2,555,069	4,271,530
Group's share of total comprehensive income for the period – 50%	1,277,535	2,135,765

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

9. Equity – Reserves

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
Reserves		
Business Combination Reserve	19,431,369	19,431,369
Translation Reserve	(403,126)	(76,864)
Share Based Payments Reserve	654,388	581,711
Share Options Reserve	179,644	-
Convertible Note Reserve	48,721	-
Fair Value Reserve	(1,676,499)	(428,854)
Total reserves	18,234,497	19,507,362

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 \$	Share Options Reserve \$	Convertible Notes Reserve \$	Fair Value Reserve \$	Total \$
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
Balance at 1 July 2024	19,431,369	(76,864)	581,711	-	-	(428,854)	19,507,362
Fair Value Gain on investments in equity instruments designated as at FVTOCI	-	-	-	-	-	(433,657)	(433,657)
Foreign Operations - foreign currency translation differences	-	(305,598)	-	-	-	-	(305,598)
Share of other comprehensive income of equity-accounted investees	-	(20,664)	-	-	-	(813,988)	(834,652)
Share based payments (Note 13)	-	-	72,677	-	-	-	72,677
Fair value of share options granted	-	-	-	179,644	-	-	179,644
Issue of convertible notes	-	-	-	-	48,721	-	48,721
Balance at 31 December 2024	19,431,369	(403,126)	654,388	179,644	48,721	(1,676,499)	18,234,497

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements for the financial half-year ended 31 December 2024

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.

	31 Dec 2024	31 Dec 2023
	\$	\$
Net loss attributable to shareholders	(2,405,973)	(1,214,665)
Basic earnings per share	(\$0.03)	(\$0.02)
Diluted earnings per share	(\$0.03)	(\$0.02)
Net loss attributable to shareholders – continuing operations	(2,349,300)	(249,214)
Basic earnings per share – continuing operations	(\$ 0.03)	(\$ 0.00)
Diluted earnings per share – continuing operations	(\$ 0.03)	(\$ 0.00)

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 2024	31 December 2023
Weighted average number of shares in issue		
Basic number of shares outstanding	72,242,303	65,054,613
Dilutive effect of Employee Performance Rights	-	-
Dilutive effect of convertible notes	3,225,806	-
Dilutive effect of share options on issue	2,357,842	-
Diluted number of shares outstanding	<u>77,825,951</u>	<u>65,054,613</u>

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

11. Intangible Assets

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
Research & development costs (i)		
Capitalised development costs - at cost	2,610,289	2,610,289
Less: Accumulated amortisation and impairments	(761,031)	(652,311)
	1,849,258	1,957,978
Patents and trademarks - at cost	3,101,916	3,101,916
Less: Accumulated amortisation and impairments	(258,518)	(182,841)
	2,843,398	2,919,075
License rights - at cost	20,000	20,000
Less: Impairments	-	-
	20,000	20,000
Total intangible assets	4,712,656	4,897,053

Reconciliation of carrying amount

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

Consolidated	Capitalised development costs	Patents and trademarks	License rights	Total
	\$	\$	\$	\$
Cost at 1 July 2023	2,610,289	3,101,916	20,000	5,732,205
Additions	-	-	-	-
Disposals	-	-	-	-
Cost at 31 December 2024	2,610,289	3,101,916	20,000	5,732,205
Accumulated amortisation and impairments at 01 July 2024	(652,311)	(182,841)	-	(835,152)
Amortisation expense	(108,720)	(75,677)	-	(184,397)
Accumulated amortisation and impairments at 31 December 2024	(761,031)	(258,518)	-	(1,019,549)
Carrying amount at 1 July 2024	1,957,978	2,919,075	20,000	4,897,053
Carrying amount at 31 December 2024	1,849,258	2,843,398	20,000	4,712,656

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 2024

12. Equity – Share Capital

(a) Issued and fully paid

	31 December 2024		31 December 2023	
	\$	No.	\$	No.
Ordinary shares	9,426,926	72,242,303	7,685,834	65,054,613

(b) Movement reconciliation

Ordinary Shares	Date	No. of Shares	Issue Price	\$
Opening Balance	1 Jul 2024	69,635,572	-	8,900,768
Share issue through Share Purchase Plan	18 Jul 2024	1,961,569	0.31	608,101
Shares issue through Placement (Tranche 2)	29 Jul 2024	645,162	0.31	200,000
Share issue costs (net of tax)		-		(281,943)
Closing	31 Dec 2024	72,242,303		9,426,926

7,178,033 shares issued as consideration for the acquisition of ATA® technology were released from escrow on 29 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 \$72,677 (31 December 23: \$48,213) results from several schemes summarised below:

Clean TeQ Water Limited
Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

13. Share Based Payments (Cont'd)

Schemes	31 Dec 2024 \$	31 Dec 2023 \$
(i) Employee Incentive Plan (EIP)		
2020 Tranche 2 EIP Replacement – Rights	-	(110)
2021 Tranche 1 EIP Replacement – Rights	-	14,309
(ii) Long Term Incentive (LTI) Award *		
2022 LTI Award – Tranche 1	19,413	5,059
2022 LTI Award – Tranche 2	29,046	18,463
2023 LTI Award	11,448	10,491
2024 LTI Award	12,770	-
Total expense for the period	72,677	48,212

*2022, 2023 & 2024 tranches include performance rights issued via shareholder approval (Dec 2024: \$20,405; Dec 2023: \$27,313).

(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.

Set out below are summaries of performance rights granted under the Plan as at 31 December 2024:

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	301,997	-	-	(301,997)	-
30-Sept-21	01-Jul-24	\$0.00	161,616	-	-	(161,616)	-
09-Mar-22	01-Jan-25	\$0.00	437,366	-	-	(29,144)	408,222
28-Jul-22	01-Jul-25	\$0.00	765,288	-	-	(79,694)	685,594
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	516,988	-	-	(114,682)	402,306
01-Nov-23	01-Jan-26	\$0.00	109,524	-	-	-	109,524
17-Sep-24	01-Jul-27	\$0.00	-	1,003,772	-	(91,057)	912,715
26-Nov-24	01-Jul-27	\$0.00	-	292,418	-	-	292,418
			2,739,118	1,296,190	-	(877,686)	3,157,622

* 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 2024 Annual Report.

These were as follows:

- 1,003,772 were issued to staff
- 292,418 were issued to Executive Director & CEO Peter Voigt. The terms and conditions were the same as those issued to staff during the reporting period and were set out in the Notice of the Annual General meeting dated 26 November 2024.

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

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements for the financial half-year ended 31 December 2024

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
17-Sept-24	01-Jul-27	\$0.30	78%	-%	50%	\$0.2215
26-Nov-24	01-Jul-27	\$0.30	78%	-%	100%	\$0.2150

14. Options on Issue

As at 31 December 2024, the following options over ordinary shares were outstanding:

Class of Options	Number	Exercise Price	Expiry Date
Listed Options (ASX: CNQO)	2,357,842	\$0.45	30-Apr-26

No listed options were exercised during the period.

No listed options expired during the reporting period.

15. Provisions

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
Provisions – current		
Leased premises provision for make good	(59,952)	(59,952)
Provisions for rectification (i)	(396,298)	(278,268)
Total provisions – current	(456,250)	(338,220)
Provisions – non-current		
Provisions for rectification (i)	(642,563)	(933,272)
Total provisions – non-current	(642,563)	(933,272)
Total provisions	(1,098,813)	(1,271,492)

(i) These provisions for rectification relate to the delivery of new water treatment technologies with limited previous claims experience and as such have been calculated based on management's estimates for future rectification obligations. At a minimum, the provision for rectification has been calculated using the retention values defined in project contracts, adjusted for the probability of defect costs occurring based on project progress and development.

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

16. Non-Controlling Interests

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
Non-Controlling interests		
Non-Controlling interests	(160,886)	-
Total reserves and non-controlling interests	(160,886)	-

Movements in non-controlling interests

Consolidated	Total
	\$
Balance at 1 July 2023	-
Loss after income tax benefit for the period	(56,673)
Fair Value Gain on investments in equity instruments designated as at FVTOCI	(288,154)
Foreign Operations - foreign currency translation differences	8,646
Stepped acquisition of subsidiary with NCI	175,295
Balance at 31 December 2024	(160,886)

17. Interest bearing liabilities

Consolidated	31 Dec 2024	30 Jun 2024
	\$	\$
Interest bearing liabilities – current		
Premium financing – secured (i)	(82,225)	(267,960)
Interest bearing loan – secured (i)	(124,400)	-
Convertible notes (ii)	-	-
Total interest bearing liabilities--current	(206,625)	(267,960)
Interest bearing liabilities – non-current		
Premium financing - secured (i)	-	-
Interest bearing loan – secured (i)	(898,376)	-
Convertible notes (ii)	(643,465)	-
Total interest bearing liabilities –non-current	(1,541,841)	-
Total interest bearing liabilities	(1,748,466)	(267,960)

(i) Non-derivative Interest bearing liabilities

Non-derivative interest bearing liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements for the financial half-year ended 31 December 2024

17. Interest bearing liabilities (Cont'd)

(ii) Convertible notes

Convertible notes issued by the Group are assessed to determine whether they contain both a financial liability and an equity component, or if they must be accounted for as a financial liability with an embedded derivative.

A conversion feature is classified as equity only if it entitles the holder to convert the liability into a fixed number of ordinary shares in exchange for a fixed amount of cash or another financial asset. If the number of shares to be issued is variable, or if the value of consideration is linked to factors such as the issuer's share price, or the ability to forgo conversion and demand cash, the conversion option must be classified as a financial liability instead.

The liability component of the convertible note is initially recognised at the fair value of a similar liability that does not have an embedded derivative. The embedded derivative is initially recognised as a separate financial liability at fair value through profit or loss (FVTPL), representing the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and derivative components in proportion to their initial carrying amounts.

Subsequent to initial recognition the liability component is measured at amortised cost using the effective interest method, with interest expense recognised in profit or loss. The embedded derivative is remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

On conversion, the financial liability is derecognised and transferred to equity – share capital. Any remaining balance in the derivative liability is also derecognised, with the corresponding amount recognised in profit or loss. If the note is settled in cash instead of being converted, the carrying amount of the liability is extinguished upon payment.

Consolidated	Total \$
Convertible note	
Proceeds from issue of convertible notes (1,000,000 notes at \$1 par value)	1,000,000
Transaction costs	-
Net proceeds	1,000,000
Amount classified as equity	(48,721)
Accreted interest on equity discount	9,893
Embedded derivative classified as other financial liabilities	(328,804)
Accreted interest on embedded derivative discount	11,097
Balance at 31 December 2024	(643,465)

(iii) Terms and repayment

The terms and conditions of outstanding interest-bearing liabilities are as follows:

	Currency	Nominal Interest Rate	Month/ Year of maturity	Face Value	Carrying Amount \$
Premium financing – secured	AUD	9.41%	03/2025	(83,274)	(82,225)
Interest bearing loan – secured	AUD	BBSW+8%	06/2026	(1,000,000)	(1,022,776)
Convertible notes	AUD	10%	12/2026	(1,006,027)	(643,465)
					(1,748,466)

Clean TeQ Water Limited

Notes to the Consolidated Financial Statements
for the financial half-year ended 31 December 2024

18. Available-for-sale-Financial Assets

Financial assets at fair value through other comprehensive income

As disclosed in Note 8 – Investments in Joint Ventures, the Group obtained control of Go2Lithium Inc, and its wholly owned subsidiary, G2L Greenview Resources Inc., on 15 October 2024 through a business combination transaction (stepped acquisition), increasing its ownership from 50% to 60%. Prior to the acquisition of control, G2L Greenview Resources Inc. had acquired and held 4,000,000 shares in the TSX listed entity LithiumBank Resources Corp (TSX.V: LBNK) and elected to account for these equity instruments at fair value through other comprehensive income. Upon consolidating Go2Lithium Inc and G2L Greenview Resources Inc and recognising the underlying assets, the Group elected to continue to account for these LithiumBank Resources Corp equity instruments at fair value through other comprehensive income

Consolidated	Total \$
Equity investments at fair value through other comprehensive income	
Listed Securities – Current	
Fair value of 4,000,000 shares in LithiumBank Resources Corp recognised on 15 th October 2024	1,764,580
Losses on fair value recognised in other comprehensive income	(721,811)
Effects of exchange rate changes on equity investments	87,023
Balance at 31 December 2024	<u>1,129,792</u>

19. Events occurring after the balance sheet date

No matter or circumstance has arisen since 31 December 2024 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 17 to 38 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 2024 and of its performance for the financial period from 1 July 24 to 31 December 2024; 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
28 February 2025

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 consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, 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 2024 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.

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 \$2,289,598 during the half year ended 31 December 2024 and had operating cash outflows of \$3,030,219. 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 Group 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 for the review of the financial report

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 2024 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, 28 February 2025