Clean Coal Technologies Inc.
Form 10-K
March 08, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended: **December 31, 2018**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **000-53557**

CLEAN COAL TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA	**26-1079442**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

295 Madison Avenue (12th Floor), New York, NY	**10017**
(Address of principal executive offices)	(Zip Code)

(646) 710-3549

(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	**Name of each exchange on which registered**
None	N/A

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of class
Common Stock

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. YES NO

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected to not use the extended transition period for complying with any new or revisited financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. YES NO

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second quarter.

The market value of the voting and non-voting common stock is $11,802,561 based on 118,025,611 shares held by non-affiliates. The shares were valued at $0.10 per share, that being the closing price on June 30, 2018, the last business day of the registrant's most recently completed second quarter.

As of December 31, 2018 the total number of outstanding common shares was 174,427,854 and as of March 7, 2019 the total number was 174,427,854.

Documents Incorporated by Reference

None.

CLEAN COAL TECHNOLOGIES, INC.

2018 ANNUAL REPORT ON FORM 10-K

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PART IV

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PART I

ITEM 1. BUSINESS

Forward-Looking and Cautionary Statements

Except for statements of historical fact, certain information in this document contains “forward-looking statements” that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “should,” “would,” or similar words. The statements th these or similar words should be read carefully because these statements discuss our future expectations, contain projections of our future results of operations, or of our financial position, or state other “forward-looking” information. Clean Coal believes that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control. Further, we urge you to be cautious of the forward-looking statements that are contained in this Annual Report because they involve risks, uncertainties and other factors affecting our technology, planned operations, market growth, products and licenses. These factors may cause our actual results and achievements, whether expressed or implied, to differ materially from the expectations we describe in our forward-looking statements. The occurrence of any of these events could have a material adverse effect on our business, results of operations and financial position.

Overview

Over the past decade, Clean Coal Technologies, Inc. has developed processes that address what we believe are the key technology priorities of the global coal industry. We currently have three processes in our intellectual property portfolio:

The original process, called Pristine, is designed to remove moisture and volatile matter, rendering a high-efficiency, cleaner thermal coal. The process has been tested successfully on bituminous and subbituminous coals, and lignite from various parts of the United States and from numerous countries around the world.

Our second process, called Pristine-M, is a low-cost coal dehydration technology. In tests, this process has succeeded in drying coal economically and stabilizing it using volatile matter released by the feed coal. Construction of our coal testing plant was completed in December 2015 and was successfully tested through April 2016 at AES Coal Power Utility in Oklahoma. Additional tests commenced and were completed in the fourth quarter of 2017. This test facility has been moved from AES to Wyoming. Working in partnership with the University of Wyoming and our engineers a

number of enhancements to the existing test facility were identified. These additional changes are being built and we expect the assembly of the second generation facility to be completed by the second quarter of 2019 to commence testing of international coal in the third quarter of 2019. These additional changes are expected to further increase the Btu of the processed coal in excess of what the company obtained from the first generation facility and reduce the cost of a commercial unit. It will also enable the automated extraction of by-products from the coal for research and testing.

Our third process, called Pristine-SA, is designed to eliminate 100% of the volatile matter in the feed coal and to achieve stable combustion by co-firing it with biomass or natural gas. The process is expected to produce a cleaner fuel that eliminates the need for emissions scrubbers and the corollary production of toxic coal ash. We anticipate that treated coal that is co-fired with other energy resources will burn as clean as natural gas.

Anticipated Benefits of the Technology:

- Reduction of undesired emissions and greenhouse gases through the removal of compounds that are not required for combustion in conventional boilers.

- Cost savings and environmental impact reduction. Our pre-combustion solution is expected to be significantly less expensive than post-combustion solutions such as emissions scrubbers. Not only are the latter prohibitively expensive, they produce coal ash containing the “scrubbed” compounds, which is dumped in toxic waste disposal sites where it may pose continuing environmental risk. Coal treated using our processes may eliminate the need for post-combustion emissions scrubbers and the resulting toxic ash.

- Potential use of compounds removed from treated coal. Volatile matter captured in the Pristine process is removed in the form of hydrocarbon liquids that we believe will be easily blended with crude oil or used as feedstock for various products. For example, sulfur, which can be removed using the Pristine process, is a basic feedstock for fertilizer. The harvesting of hydrocarbon liquids from abundant, cheaper coal is a potentially lucrative side benefit of our processes.

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Successful testing of the Pristine M process resulted in an increase in BTU of the processed coal and a reduction in moisture content making it less expensive to transport (as moisture has been removed) with the end product being a dust free stabilized enhanced coal which we believe will address the issue of coal dust pollution during transportation.

- Energy Independence. To the extent that volatile matter is removed from coal, coal's use as an energy resource is greatly improved, enabling the United States and other coal-rich countries to move towards energy independence owing to coal's greater abundance.

Development Status:

Pristine process. Pristine process successfully lab tested on small scale and through advanced computer modeling. As at February, 2018, various aspects of the Pristine process has been successfully tested at our test facility at the AES coal Power plant in Oklahoma as part of the overall testing of Pristine M. More detailed testing is expected from the second generation test facility following assembly in Wyoming.

Pristine-M. Testing of the Pristine M process on Powder River Basin coal at the AES facility in Oklahoma was completed in December 2017. The Pristine M process was successfully tested and the process, engineering and science were independently proven. The test facility was moved from the AES location to Wyoming where assembly of the second generation test facility will commence in the second quarter of 2019 and testing of international coal is expected in third quarter of 2019.

Pristine-SA process. Pristine SA process analysis is at a very early stage. Further research and development is expected using the test facility at its permanent location in Wyoming upon assembly of the second generation facility in the second quarter of 2019.

Business Outlook

- Wyoming New Power, a related party company, has agreed to sign a two million ton per annum license agreement to use Pristine M at a location in Wyoming. They have paid a non-refundable $100,000 deposit on the license agreement. The definitive license agreement is expected to be signed within 30 days of their receipt of a commercial design that they are working on with their EPC contractor. The agreement is expected to be completed in the second or third quarter of 2019. Wyoming New Power is a Related Party because it is controlled by a party that also controls the entity, which is the major lender and significant stockholder of the Company.

- Jindal Steel & Power is expected to begin discussions with the Company to contract a commercial plant in in the second or third quarter of 2019, subject to a favorable outcome of the testing of its coal at our test facility which is expected to occur immediately following its reassembly in Wyoming. A bespoke commercial facility design will be undertaken after Jindals coal has been tested.

- The Company entered into a partnership with the University of Wyoming with the objective of using our suite of technologies to increase the use of and value of Wyoming Powder River Basin coal. The primary focus is on utilizing our technology to extract valuable derivative products from coal. The university spent most of 2018 working with our engineers to streamline our original test facility design in order to optimize the processed coal. The second generation test facility will enable the automatic extraction of byproducts including rare earth minerals, which will underpin further research on byproduct extraction.

- The Company has been engaged with AusTrade (The Australian Trade and Investment Commission) and through that relationship has partnered with three separate universities in Australia. Like the University of Wyoming these Universities have a focus on their local coal both from a beneficiation perspective and also to extract derivative byproducts from coal using our technology.

- The Company met with and has engaged in discussions with the Minister for Coal in India and Coal India Limited, a government-owned coal mining company. As at March 2019 they are awaiting the assembly of the second generation test facility so they can send coal to Wyoming for testing.

- The company continues negotiations with a number of the senior management of some of the largest Energy companies in India, Russia and Indonesia. As at March 2019 we continue to advance commercial terms with these parties. Upon completion of the reassembly of the test facility in Wyoming arrangements are being made for these companies to send 500 tons of their coal each to the facility for testing. This is expected in the second or third quarter of 2019. We are also closely watching the Indonesian national elections scheduled for April 2019 which could result in a more positive approach to coal production and usage in their country.

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- Discussions continue with the US DOE and DOD to further our technology to benefit US coal.

Technology

Our original Pristine coal treating process extracts the volatile matter (solidified gases or pollutant material) from a wide variety of coal types by heating the mineral as it transitions through several disparate heat chambers, causing the volatile matter to turn to gas and escape the coal, leaving behind a cleaner-burning fuel source. Historically, the primary technological challenge of extracting this volatile matter has been maintaining the structural and chemical integrity of the carbon, while achieving enough heat to turn the volatile matter into a gaseous state. Heating coal to temperatures well in excess of 700° Fahrenheit is necessary to quickly turn volatile matter gaseous. However, heating coal to these temperatures has generally caused the carbon in the coal to disintegrate into an unusable fine powder (coal dusting). Our patented flow process transitions the coal through several atmospherically independent heat chambers controlled at increasingly higher temperatures. These heat chambers are infused with inert gases, primarily carbon dioxide (CO2), preventing the carbon from combusting. We have identified the optimum combination of atmospheres, levels of inert gases, transport speed, and temperatures necessary to quickly extract and capture volatile matter, while maintaining the structural and chemical integrity of the coal. Using our technology, we are able to capture the volatile gases that escape the coal, and to utilize some of these gases to fuel the process, while others are captured in the form of usable byproducts, to potentially provide an ancillary revenue stream. Depending on the characteristics of the coal being cleaned, the flow processing time is expected to be in the range of 6 to 8 minutes.

Our process derivatives are broadly characterized by the following three elements which vary according to the characteristics of the feed coal:

A first stream is predominantly water that is extracted from the coal. Although expected to be 100% pure (water removed from coal is condensed from its vapor state), it may contain some contaminants.

A second stream, produced in the de-volatizing stage of the process, is the condensed light hydrocarbons gases that we call “coal-derived liquids”, or CDLs. These could prove to be the most valuable component of the process. It is anticipated that the CDLs will resemble a crude oil (probably sweet crude if the sulfur content of the feed coal is low) resulting in a readily-marketable product. In the Pristine-M process, de-volatization is controlled and optimized to meet the needs of drying and stabilizing the coal, minimizing the production of gas or liquid byproducts.

The third stream is the heavy tar-like liquid potentially marketable to the asphalt and coal tar industry. This stream is entirely absent in the Pristine-M process which is focused only on the task of drying and stabilizing.

The Pristine technology has three distinct primary applications: the cleaning of coal for direct use as fuel for power stations and other industrial and commercial applications; the extraction of potentially valuable chemical by-products for commercial sale; and the use of processed coal as a feed stock for gasification and liquefaction (CTG & CTL) projects.

Pristine-M De-Watering Process. During the fourth quarter of 2011, the Company filed a provisional patent application for a new technology focused on the de-watering of coal. The new process, Pristine-M, is unique in that it retains elements of the original process but has discovered a technology that stabilizes the dried coal, rendering it impermeable and easy to transport with low to no risk of spontaneous combustion. The latter results have proved elusive for the majority of companies that have entered the market with coal de-watering technologies.

The Pristine-M process, sharing some of the scientific principles and engineering components that underpin the Pristine process, is also a modular design that includes a section where the coal is partially de-volatized and then coupled to as many drying and stabilization modules as may be required to achieve a client's desired level of production. Each of the modules is designed to handle 30-tons/hr and, similar to the Pristine process, relies on components that are primarily available off-the-shelf and have already stood the test of time as to their reliability and durability.

Pristine-SA Process. In June 2013, we filed a provisional patent application for a new process to be called Pristine-SA. The new process is designed to produce a coal product that is devoid of all volatiles and comes together with a solution for ensuring efficient and clean combustion on a level with natural gas. Now that the application on the basic concept has been filed, we expect to continue further research and development to address Pristine-SA's potential application in various fuel and non-fuel product areas.

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Our technology has been tested and proven under laboratory and pilot scale conditions in Pittsburg, PA, and the results studied by LEIDOS (previously SAIC) as well as certain potential strategic partners as part of their due diligence on CCTI and the CCTI technology. To date, testing of about 40 coal types from all over the world has been completed. We have also benchmarked our technology against the Carnegie Mellon simulation model with excellent results. Testing has shown no evidence of coal dusting, self-combustion, moisture re-absorption, or other technical concerns that might hinder commercialization. As at December 2017 we have successfully tested Powder River Basin coal at out testing facility at AES Oklahoma. The test facility was moved to Wyoming where assembly of the second generation test facility is expected in the second quarter of 2019.

While we believe that all of our Pristine technologies offer vast potential for commercialization, our market entry strategy right now is focused on the Pristine -M technology that we believe offers an immediate opportunity to monetize our intellectual property. The specific opportunity is in Asia that, at the moment, is focused almost entirely on the need to produce a dry and stable coal to meet the growing need of coal-fired power plants. Indonesia is currently one of the largest suppliers of thermal coal to India and China, but Indonesian coal suffers from its high moisture content and low calorific content. Since January 2017 we have engaged in advanced discussions with the representatives from the US DOE and also key representatives from Wyoming. As we successfully tested PRB at our test facility at AES it has led to a unique opportunity to upgrade PRB coal and export it through several ports in the US and also from Canadian and Mexican ports. Since our successful tests at AES coal power utility we believe that the issues currently facing the upgrading of coal and its stabilization have been effectively addressed by the Pristine-M technology and we continue to work with both US government bodies and US producers along with key international energy providers.

Initial designs have been completed for both the Pristine and the Pristine-M processes. The Pristine design provides for the deployment of standard operational modules, each with annual capacity of 166,000 metric tons, providing the flexibility to be configured in accordance with customers' individual production capacity requirements. The coal cleaning process will typically be energy self-sufficient, relying upon captured methane and other byproducts to fuel the coal cleaning process. Since the first quarter of 2017 Kiewit Engineering group have been employed to further enhance the process and update the commercial designs that were previously produced. Following nine months of work with the University of Wyoming and our engineers we have identified changes to the original test facility that is expected to further increase the beneficiated processed coal.

Business Activities and Strategy

The Company's business model at this stage is simple: to license our technology to third parties and exact a license fee, as well as a royalty fee, based on plant production. Over time, as the company builds up equity capital and cash reserves, opportunities to penetrate the coal business at different points of the value chain will be considered. Among these, direct investments in low-cost reserves, partnerships in mining or industrial projects, or trading may be contemplated.

Research and development will be a key focus going forward. The highest priority will be on the commercialization of our Pristine M process, but there are various other product areas including biomass where our technology may prove relevant.

Competitive Strengths

We believe our technology and designs represent the only process that can effectively separate and capture undesired chemical compounds prior to carbon combustion in a commercially viable manner. Our process differs from competing processes through its ability to maintain the structural integrity of coal during the heating process. This is achieved through a unique design that inserts inert gas into the heating chambers, and maintains the inert atmosphere in each chamber. By inserting an inert gas into the chambers, the process allows for rapid heating of the coal and prevents coal combustion and significant coal dusting. Competing technologies have used differing methods of preventing coal combustion and dusting, albeit with limited success. Some of the particular strengths of our process include:

Pollution reduction: By heating coal prior to combustion, we are able to extract volatile matter (pollutants in the form of solidified gases) from the coal in a controlled environment, transforming coal with high levels of impurities, contaminants and other polluting elements into a more efficient, cleaner source of high energy, lower polluting fuel. Testing has demonstrated that our process removes a substantial percentage of harmful pollutants, including mercury.

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Lower cost of operation: We believe that our process will be a relatively low-cost solution to the reduction of pollution at coal-fired power facilities. Our engineering consulting firm, believes that our coal cleaning process will typically not require any external energy and can be fully fueled by the methane and other byproducts that the process captures from raw coal. This effective use of byproducts contrasts markedly with emissions scrubbers that generally use a portion of the generated power and have high initial capital and maintenance costs. In addition, our process may have certain advantages in terms of the pollutants removed that can be utilized in a complementary manner with other processes including scrubbers.

Increased flexibility in feedstock: Our process eliminates both the moisture and volatile matter in raw coal, increasing the heat capacity of standard sub-bituminous low-rank raw coal from approximately 8,800 BTUs to between 11,000-12,000 BTUs. We believe the process can increase heat capacity of lignite raw coal ranging from 4,000-7,000 BTUs to a range of 9,000-10,000 BTUs. As the worldwide supply of high-BTU bituminous coal dwindles, our technology may enable coal-fired plants to effectively utilize the abundance of low-rank coal. Results will differ depending on the coal being processed.

Favorable price arbitrage: Low-rank coal in Asia with a heat content of 7,000 – 9,000 BTUs currently sells for at a significant discount to high-BTU bituminous coal with a heat capacity of 10,000+ BTUs, as can be observed in various international price indices, among them, the Baltic Dry Bulk Index. Our process essentially transforms low-grade coal into bituminous coal at a direct operating cost of an estimated $3.50 per ton, capturing the value of higher-grade coal prices.

Potential tax benefits: This will be clearer under the new US Administration and the new laws being passed

Competition

At this filing, the coal upgrade industry globally, excluding coking processes, remains in its infancy. The penetration rate of technologies focused on de-watering coal is well under 1% based on annual production of thermal coals measured in the billions of tons. There are numerous competitors in the pre-combustion, upgrade segment but many of these have failed, are inactive, or in pilot mode. The Company believes that given its successful testing of its Pristine M process it will be able to enjoy early-mover advantage in 2019.

The difficulties experienced by the Company’s competitors fall into three categories: the technologies have failed to scale up; they are expensive and, therefore, challenge the economics of the process; or they have failed to produce a stable end product, that is, a product that does not reabsorb moisture and is safe to transport with minimal risk of

spontaneous combustion. From a scale-up perspective, CCTI's Pristine M technology faces a much smaller challenge as it is a modular system built around well-known and proven components. From our 2-ton per hour prototype to our 30-ton per hour standard commercial module, initial scale-up is a 1:15 proposition that is considered very modest from an engineering perspective. Scalability issues are mitigated by the modular nature of the industrial design that, once the basic module is operational, further scale up is achieved by adding identical modules. We consider it a major competitive advantage that our clients who build large capacity, single-unit plants based on what are likely to be new and untested components.

From a plant reliability and maintenance perspective, our modular design brings many advantages that the Company believes enhance the competitiveness of its offering. The major benefits are the ability to carry on maintenance on one module while the other modules continue to operate. Down-time can be minimized. Similarly, if a component breaks down, it does not incapacitate the entire plant. It is localized to a single module.

From a planning perspective, mine operators would be able to expand their capacity piecemeal rather than in step-wise fashion by large-scale increments. This mitigates much of the financial risk normally attendant on large-scale plant expansions and, over time, our modular design may prove to be one of the most significant competitive advantages of our process.

Another significant competitive advantage of either of the Company's processes is that these do not require crushing of the coal, thereby minimizing if not entirely eliminating the need for costly briquetting. CCTI's plant economics are compelling as they derive much of the process heat from the feed coal itself, rendering the processes very energy efficient. The processes require a modest amount of electric power and a small number of operatives. Consequently, our operating costs are very competitive.

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The Pristine process not only removes the moisture, but also removes undesired volatiles which we capture as a chemical “soup” that may be further refined by us, or sold directly to chemical manufacturers, or refineries as a complementary revenue source. The Pristine process addresses a very different market need than the Pristine M Technology and therefore enables CCTI to offer a more diverse product slate to our potential customers than most, if not all, our existing competitor base.

We consider our most direct competition in the reduction of coal emissions comes from companies offering pre-combustion cleaning designed to remove impurities. However, post-combustion filtering or “scrubbers” designed to filter released gases are a clear alternative for coal-fired power producers. We are not in competition with suppliers of emissions scrubbers, except to the extent that that burning a cleaner fuel is more economical than post-combustion solutions.

The best known present and past competitors in the pre-combustion area include Evergreen Energy, Inc. (“Evergreen”), Kobe Steel (“Kobe”), GTL Energy (“GTL”) and White Energy (“White Energy”), both the latter of which are Australian companies. Neither Encoal or SynCoal are currently operational having experienced serious problem in the area of product stability. There are operators that utilize older, less efficient technologies such as the Fleissner process, but these are not as effective the newer technologies. Evergreen, based in Denver, Colorado, developed a technology primarily focused on reducing the moisture in raw coal to increase its heating capacity. The company declared bankruptcy in 2012 after suffering problems having to do with the stability of the end product. CoalTek, based in Tucker, Georgia, claims its patent-pending process uses electromagnetic energy to reduce contaminants and moisture in coal prior to combustion. While public information is limited, we believe the amount of energy necessary to run the electromagnetic process may offset any economic benefits of the upgraded coal. The Australian processes use a combination of heat and compaction to remove moisture from coal. The company is not in commercial mode. White Energy claims that compaction generates close bonding between the dried coal particles to form a high density, higher energy content briquette. Energy requirements for heating coal an operating a pelletizer are typically large but no basis or explanation is provided for the favorable cost numbers published by White Energy. During 2012, White Energy was forced to abandon further investment in its flagship 1 million ton facility in Indonesia that suffered serious operational problems. The Kobe process is proven. However, the plant is complex and, consequently, very expensive. This was indicated by the fact a one significant plant in Indonesia shuttered a Kobe plant during 2012 owing to unfavorable process economics.

Indirect competition comes from alternative low-pollution energy sources, including: wind, bio-fuels and solar; all of which need additional technological advancements, cost reduction and universal acceptance to be able to produce power at the scale of coal-fueled plants, which today produce over 40% of world’s electricity according to U.S. Department of Energy.

Patents

Our technology is the subject of U.S. patent #6,447,559, “Treatment of Coal” which was filed on November 3, 2000 based on provisional application 60/163,566 filed November 5, 1999, and issued in 2002. The patent expires in 2020. We also filed PCT international patent application PCT/US00/41772 based on this U.S. patent on November 2, 2000, and, in accordance with this, patents have been applied for in all countries where we believe our technology has application. On February 1, 2011 CCTI was awarded a continuation patent US #7,879,117.

On April 15, 2008, the Company filed a PCT International application PCT/US2008/060364based on our revised design, and national patent applications based on this PCT International application have been filed in India, China, Indonesia, Australia, South Africa, Colombia, Brazil, Chile, and the Republic of Mongolia. These were filed by our patent attorneys Nixon &Vanderhye P.C. at a cost of $33,000. On October 15, 2010, the Company filed the PCT US national phase application for its revised design as contained in PCT/US2008/060364.

The April 15, 2008 application details the process of using byproducts to power the process, and details a simpler, vertical factory design with proprietary seals that help preserve the atmosphere of each chamber, compared to a horizontal design in the original filing. This application goes into great detail regarding the byproducts of the coal and their capture.

The patent details a process wherein coal is heated to different temperatures in various chambers with controlled low-oxygen atmospheres. There are seals between these chambers, serving to maintain the heat and gas content in each chamber. The invention notes the controlled de-volatilization and removal of moisture and organic volatiles, while maintaining the structural integrity of the coal and reducing the level of disintegration into powder form. The invention also notes the significantly decreased time in treating coal as compared to alternative approaches, most of which focus on moisture removal as a means of increasing calorific or BTU value.

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In September, 2011, the Company filed provisional patent application Serial No. 61/531,791 that seeks to protect a new invention for the reduction of moisture inherent in coal, and stabilization of the final product. A corresponding PCT International application PCT/US2012/054160 was filed in September, 2012 and counterpart national patent applications have been filed in US, EP, Eurasia, Australia, Canada, India, Philippines, South Africa, Colombia, Mexico, Panama, Japan, South Korea, Indonesia Mongolia, Malaysia, Sri Lanka. Testing to date indicates that our stabilized product will be resistant to moisture re-absorption and safe to handle, even over long distances. The new invention draws from the scientific knowledge embedded in our existing patent, but it is an entirely new concept that is easily differentiated from the offerings of our competitors. The most novel aspect relates to the stabilization of the end product and to the ability to enhance the heat content of the coal beyond what would be normally achieved by moisture removal alone. The product is banded Pristine–M.

From a commercial perspective, Pristine-M is proving to be attractive to clients not only because of its characteristics, but because the industrial design is simple, elegant and inexpensive. We estimate that operating costs based on US labor rates is $3.50 per to which includes $2.00 per ton on-going maintenance. The cost of the commercial plant is expected to be highly competitive, based on preliminary estimates. Changes being incorporated to the second generation test facility is expected to reduce the capital cost of a commercial unit.

A new provisional patent application Serial No. 61/829,006 was filed by the Company in May, 2013 directed to the treatment of coal. Counterpart foreign patents has been filed based on that technology. In the second quarter of 2013, we filed a provisional patent application for a new process to be called Pristine-SA. The new process is designed to produce a coal product that is devoid of all volatiles and comes together with a solution for ensuring efficient and clean combustion on a level with natural gas. Now that the application on the basic concept has been filed, we expect to continue further research and development to address Pristine-SA’s potential application in various fuel and non-fuel product areas.

We expect to file for additional patents as we continue the commercialization of our technology and factory design. We intend to continue to seek worldwide protection for all our technology. The following table provides a summary of our technology to date.

COUNTRY	APPLN NO	APPLN DATE	GRANT DATE	STATUS
CHIN - (China P.R.)	00818174.8	11/02/2000	02/03/2016	G - (Granted)
USA - (United States)	09/704,738	11/03/2000	09/10/2002	G - (Granted)
CANA - (Canada)	2,389,970	11/02/2000	03/27/2012	G - (Granted)
EPC - (European Patent Convention)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
TURK - (Turkey)	2002/01914	11/02/2000	06/21/2005	I - (Inactive)
PCT - (Patent Cooperation Treaty)	PCT/US2008/060364	04/15/2008		I - (Inactive)
INDO - (Indonesia)	W-00200201274	11/02/2000		F - (Pending)
USA - (United States)	11/344,179	02/01/2006	02/01/2011	G - (Granted)
HONG - (Hong Kong)	03107833.3	10/30/2003		I - (Inactive)
USA - (United States)	12/926,944	12/20/2010		I - (Inactive)

INDI - (India)	7426/DELNP/2010	04/15/2008	02/15/2016	G - (Granted)
CHIN - (China P.R.)	200880129212.2	04/15/2008	12/25/2013	G - (Granted)
INDO - (Indonesia)	W00201003932	04/15/2008		F - (Pending)
ASTL - (Australia)	2008354703	04/15/2008		I - (Inactive)
SAFR - (South Africa)	2010/07455	04/15/2008	04/25/2012	G - (Granted)
COLO - (Colombia)	10-142509	04/15/2008	11/24/2017	G - (Granted)
BRAZ - (Brazil)	PI0822577-0	04/15/2008	08/15/2017	G - (Granted)
CHIL - (Chile)	01145-2010	10/19/2010	01/05/2017	G - (Granted)
MONG - (Mongolia)	4510	04/15/2008	10/25/2010	G - (Granted)
USA - (United States)	12/736,535	04/15/2008		I - (Inactive)
CHIN - (China P.R.)	201110142494.3	11/02/2000	10/14/2015	G - (Granted)
USA - (United States)	61/531,791	09/07/2011		I - (Inactive)
HONG - (Hong Kong)	11110274.3	09/29/2011	08/15/2014	G - (Granted)

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HONG - (Hong Kong)	12102379.3	03/08/2012	10/21/2016	G - (Granted)
PCT - (Patent Cooperation Treaty)	PCT/US2012/05416	09/07/2012		I - (Inactive)
EPC - (European Patent Convention)	13153292.1	01/30/2013		F - (Pending)
USA - (United States)	61/829,006	05/30/2013		I - (Inactive)
USA - (United States)	13/940,026	07/11/2013		I - (Inactive)
ALBA - (Albania)	AL//P/2013/0342	11/02/2000	10/02/2013	G - (Granted)
ATRA - (Austria)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
CYPR - (Cyprus)	CY20131101169	11/02/2000	10/02/2013	G - (Granted)
GERM - (Germany)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
SPAI - (Spain)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
GBRI - (Great Britain)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
GREC - (Greece)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
IREL - (Ireland)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
ITAL - (Italy)	502013902221416	11/02/2000	10/02/2013	G - (Granted)
LATV - (Latvia)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
MACE - (Macedonia)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
PORT - (Portugal)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
ROMA - (Romania)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
SWED - (Sweden)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
SLOV - (Slovenia)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
TURK - (Turkey)	00992027.3	11/02/2000	10/02/2013	G - (Granted)
USA - (United States)	14/282,558	05/20/2014	10/25/2016	G - (Granted)
EPC - (European Patent Convention)	12845210.9	09/07/2012		F - (Pending)
EURA - (Eurasian Patent Convention)	201490565	09/07/2012	07/31/2017	G - (Granted)
ASTL - (Australia)	2012333101	09/07/2012	10/27/2016	G - (Granted)
CANA - (Canada)	2,848,068	09/07/2012		F - (Pending)
INDI - (India)	1722/DELNP/2014	09/07/2012		F - (Pending)
PHIL - (Philippines)	1-2014-500512	09/07/2012		F - (Pending)
USA - (United States)	14/343,568	09/07/2011		F - (Pending)
SAFR - (South Africa)	2014/02154	09/07/2012	06/28/2017	G - (Granted)
COLO - (Colombia)	14068729	09/07/2012	11/23/2015	G - (Granted)
MEXI - (Mexico)	MX/a/2014/002717	09/07/2012	10/18/2018	G - (Granted)
PANA - (Panama)	90134-01	09/07/2012		F - (Pending)
JAPA - (Japan)	2014-529896	09/07/2012	12/05/2017	G - (Granted)
KORS - (Republic of Korea)	10-2014-7008281	09/07/2012		F - (Pending)
INDO - (Indonesia)	P00201401962	09/07/2012		F - (Pending)
MONG - (Mongolia)	5304	03/25/2014	04/09/2015	G - (Granted)
MAYS - (Malaysia)	PI2014000646	09/07/2012		F - (Pending)
SRIL - (Sri Lanka)	17613	09/07/2012	02/26/2015	G - (Granted)
AU – (Australia)	2018282423	12/20/2018		F - (Pending)
HONG - (Hong Kong)	15100135.9	01/07/2015		F - (Pending)
ASTL - (Australia)	2015202493	05/08/2015	09/14/2017	G - (Granted)
USA - (United States)	14/891,893	05/30/2014		F - (Pending)
ASTL - (Australia)	2014273996	05/30/2014	02/14/2019	G - (Granted)
CANA - (Canada)	2,912,824	05/30/2014		F - (Pending)
CHIN - (China P.R.)	201480030985.0	05/30/2014		F - (Pending)

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COLO - (Colombia)	15-304594	05/30/2014		F - (Pending)
EPC - (European Patent Convention)	14803703.9	05/30/2014		F - (Pending)
HONG - (Hong Kong)	16112584.9	11/02/2016		F - (Pending)
INDI - (India)	11109/DELNP/2015	05/30/2014		F - (Pending)
INDO - (Indonesia)	P00201508659	05/30/2014		F - (Pending)
JAPA - (Japan)	2016-517043	05/30/2014	11/30/2018	G - (Granted)
NEWZ - (New Zealand)	714208	05/30/2014		F - (Pending)
RUSS - (Russian Federation)	2015155730	05/30/2014	04/10/2018	G - (Granted)
SAFR - (South Africa)	2015/08515	05/30/2014		F - (Pending)
KORS - (Republic of Korea)	10-2015-7037018	05/30/2014		F - (Pending)
CHIN - (China P.R.)	201610015312.9	01/11/2016	04/10/2018	G - (Granted)
INDI - (India)	201618002729	01/25/2016		F - (Pending)
USA - (United States)	15/297,210	10/19/2016		F - (Pending)
HONG - (Hong Kong)	16113567.8	11/29/2016		F - (Pending)

Governmental Regulations

Environmental Regulation Affecting our Potential Market

We believe that under the Obama administration legislation and regulations had a negative impact on fossil fuel-fired, and specifically coal-fired, power generating facilities nationally and internationally. According to the U.S. Environmental Protection Agency, or EPA, power generation emits substantial levels of sulfur dioxide, nitrogen oxides, mercury and carbon dioxide into the environment. Regulation of these emissions affected the potential market for coal processed using our technology by imposing limits and caps on fossil fuel emissions. The most significant, existing national legislation and regulations affecting our potential market include the Clean Air Act, the Clean Air Interstate Rule and the Clean Air Mercury Rule, which are described further below. However, since the start of the Trump Administration all Obama era regulations implemented by the EPA are under review and it is widely expected that most of them will be repealed.

Environmental Regulation Affecting the Construction and Operation of Plants Using our Technology

In the United States, future production plants using our technology will require numerous permits, approvals and certificates from appropriate federal, state and local governmental agencies before construction of each facility can begin and will be required to comply with applicable environmental laws and regulations (including obtaining operating permits) once facilities begin production. The most significant types of permits that are typically required for commercial production facilities include an operating and construction permit under the Clean Air Act, a wastewater discharge permit under the Clean Water Act, and a treatment, storage and disposal permit under the Resource Conservation and Recovery Act. Some federal programs have delegated regulatory authority to the states and, as a result, facilities may be required to secure state permits. Finally, the construction of new facilities may

require review under the National Environmental Policy Act, or a state equivalent, which requires analysis of environmental impacts and, potentially, the implementation of measures to avoid or minimize these environmental impacts. We are working closely with Wyoming to assess all permitting requirements.

Any international plants will also be subject to various permitting and operational regulations specific to each country. International initiatives, such as the Kyoto Protocol/Copenhagen Accord, are expected to create increasing pressures on the electric power generation industry on a world-wide basis to reduce emissions of various pollutants, which management expects will create additional demand for our technology.

Research and Development

In association with our engineering consultants and the University of Wyoming we have identified a number of changes to the original test facility. While our budget does not currently allow us to allocate a specific funding for Research and Development ("R&D"), we will incorporate these changes to the assembly of the second generation test facility in Wyoming in the second quarter of 2019. During 2011 we invented the new Pristine M technology which following its successful testing in 2016 and 2017 we believe has already put us at the forefront of the global moisture removal technologies. The second generation test facility is expected to enable the extraction of by-products and Rare Earth Minerals for testing and research in partnership with the University of Wyoming.

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In the future, we anticipate a growing R&D budget that seeks to fully develop the potential of our three main processes. We will continue to evaluate our progress in new and existing technologies and will seek to fund additional needs as they arise.

Employees

As of December 31, 2018, we had two full-time executives, President and CEO Robin Eves, Chief Operations Officer and Chief Financial Officer, Aiden Neary, who both have written employment agreements. Messrs. Eves and Neary received no compensation for their participation on the Board of Directors.

The terms of the agreements described above were negotiated by and between the individuals and our Board of Directors based on the qualifications and requirements of each individual and the needs of the Company; however, the negotiations may not be deemed to have been at arm’s length.

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ITEM 1A. RISK FACTORS

We have limited licensing revenues to date and we have made no provision for any contingency, unexpected expenses or increases in costs that may arise.

We have received only limited licensing revenues from operations to date. We have generated operational funding in fiscal 2018 from private debt and equity offerings to use for operating expenses or research and development. Since inception, we have been able to cover our operating losses from debt and equity financing. These sources of funds may not be available to cover future operating losses. If we are not able to obtain adequate sources of funds to operate our business we may not be able to continue as a going concern.

Our business strategy and plans could be adversely affected in the event we need additional financing and are unable to obtain such funding when needed. It is possible that our available funds may not be sufficient to meet our operating expenses, development plans, and capital expenditures for the next twelve months. Insufficient funds may prevent us from implementing our business strategy or may require us to delay, scale back or eliminate certain opportunities for the commercialization of our technology. If we cannot obtain necessary funding, then we may be forced to cease operations.

We may experience delays in resolving unexpected technical issues arising from the design of commercial units that will increase development costs and make the economics unattractive.

As we develop, refine and implement our technology on a commercial basis, we may have to solve technical, manufacturing and/or equipment-related issues. Some of these issues are ones that we cannot anticipate because the technology we are developing is new. If we must revise existing manufacturing processes or order specialized equipment to address a particular issue, we may not meet our projected timetable for bringing commercial operations on line. Such delays may interfere with our projected operating schedules, delay our receipt of licensing and royalty revenues from operations and decrease royalties from operations. Enhanced commercial designs are underway.

The market in which we are attempting to sell our technology is highly competitive and may attract significant additional research and development in coming years.

The market for our technology may become highly competitive on a global basis, with a number of competitors gaining significantly greater resources and greater market share than us. Because of greater resources and more widely accepted brand names, many of our competitors may be able to adapt more quickly to changes in the markets we have

targeted or devote greater resources to the development and sale of new technology products. Our ability to compete is dependent on our emerging technology that may take some time to develop market acceptance. To improve our competitive position, we may need to make significant ongoing investments in service and support, marketing, sales, research and development and intellectual property protection. We may not have sufficient resources to continue to make such investments or to secure a competitive position within the market we target.

Our business depends on the protection of our patents and other intellectual property and may suffer if we are unable to adequately protect such intellectual property.

Our success and ability to compete are substantially dependent upon our intellectual property. We rely on patent laws, trade secret protection and confidentiality or license agreements with our employees, consultants, strategic partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. There are events that are outside of our control that pose a threat to our intellectual property rights as well as to our products and services. For example, effective intellectual property protection may not be available in every country in which we license our technology. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any impairment of our intellectual property rights could harm our business and our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results. In addition, other parties may independently develop similar or competing technologies designed around any patents that may be issued to us.

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We have been granted several global patents in 2018 and have several patents applications pending as noted in the table above. Our ability to license our technology is substantially dependent on the validity and enforcement of these patents and patents pending. We cannot assure you that our patents will not be invalidated, circumvented or challenged, that patents will be issued for our patents pending, that the rights granted under the patents will provide us competitive advantages or that our current and future patent applications will be granted.

Third parties may invalidate our patents.

Third parties may seek to challenge, invalidate, circumvent or render unenforceable any patents or proprietary rights owned by or licensed to us based on, among other things:

- subsequently discovered prior art;
- lack of entitlement to the priority of an earlier, related application; or
- failure to comply with the written description, best mode, enablement or other applicable requirements.

United States patent law requires that a patent must disclose the “best mode” of creating and using the invention covered by a patent. If the inventor of a patent knows of a better way, or “best mode,” to create the invention and fails to disclose it, that failure could result in the loss of patent rights. Our decision to protect certain elements of our proprietary technologies as trade secrets and to not disclose such technologies in patent applications, may serve as a basis for third parties to challenge and ultimately invalidate certain of our related patents based on a failure to disclose the best mode of creating and using the invention claimed in the applicable patent. If a third party is successful in challenging the validity of our patents, our inability to enforce our intellectual property rights could seriously harm our business.

We may be liable for infringing the intellectual property rights of others.

Our technology may be the subject of claims of intellectual property infringement in the future. Our technology may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time-consuming, expensive to litigate or settle, could divert resources and attention and could require us to obtain a license to use the intellectual property of third parties. We may be unable to obtain licenses from these third parties on favorable terms, if at all. Even if a license is available, we may have to pay substantial royalties

to obtain it. If we cannot defend such claims or obtain necessary licenses on reasonable terms, we may be precluded from offering most or all of technology and our business and results of operations will be adversely affected.

Our ability to execute our business plan would be harmed if we are unable to retain or attract key personnel.

Our technology is being marketed by a small number of the members of our management. Our technology is being developed and refined by a small number of technical consultants. Our future success depends, to a significant extent, upon our ability to retain and attract the services of these and other key personnel. The loss of the services of one or more members of our management team or our technical consultants could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements could be difficult, and competition for such personnel of similar experience is intense. We do not carry key person insurance for our officers.

Overseas development of our business is subject to international risks, which could adversely affect our ability to license profitable overseas plants.

We believe a significant portion of the growth opportunity for our business lies outside the United States. Doing business in foreign countries may expose us to many risks that are not present domestically. We lack significant experience in dealing with such risks, including political, military, privatization, technology piracy, currency exchange and repatriation risks, and higher credit risks associated with customers. In addition, it may be more difficult for us to enforce legal obligations in foreign countries, and we may be at a disadvantage in any legal proceeding within the local jurisdiction. Local laws may also limit our ability to hold a majority interest in the projects that we develop. The Company has yet to establish any representation offices outside the United States.

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We do not know if coal processed using our technology is commercially viable.

We do not yet know whether coal processed using our technology can be produced and sold on a commercial basis in a cost effective manner after taking into account the cost of the feedstock, processing costs, license and royalty fees and the costs of transportation. Because we have not experienced any full scale commercial operations, we have not yet developed a guaranteed efficient cost structure. Initial indications show commercial viability. We are currently using the estimates for anticipated pricing and costs, as well as the qualities of the coal processed in the laboratory and our test facility at AES setting to make such estimates. We may experience technical problems that could make the processed coal more expensive than anticipated. Failure to address both known and unforeseen technical challenges may materially and adversely affect our business, results of operations and financial condition. Initial indications based on actual test results show a positive impact on the quality of the processed coal and based on current prices appear economically attractive.

We have experienced large net losses, have little liquidity and need to obtain funds for operations or we may not be able to continue.

We have incurred net losses since inception. The net losses to date include large non-cash expenses recorded for share-based compensation for consultants and officer compensation. However, in addition to the non-cash expenses, we had other operating expenses, funded in large part through loans from existing shareholders. In order to meet our current operating budget and anticipated contractual obligations, we estimate that we will need an additional $5,000,000 for 2019, based on our current contractual obligations. At December 31, 2018, we had total liabilities of $14,703,444 and cash of $25,745. If we cannot obtain adequate financing from new funding sources, we will be unable to continue operations or meet our contractual obligations.

Our use of equity as an alternative to cash compensation may cause excessive dilution for our current shareholders.

Due to shortage of operating funds and low liquidity, we have issued shares as compensation for services, including board and officer compensation as well as compensation for outside consultants and other services. This form of compensation has enabled us to obtain services that would not otherwise have been available to us but it has resulted in dilution to our shareholders. Unless we are able to obtain adequate financing in the immediate future, we may be forced to continue to obtain services through the issuance of shares and warrants, resulting in additional dilution to shareholders and potentially adversely affecting any return on investment.

Due to the uncertain commercial acceptance of coal processed using our technology we may not be able to realize significant licensing revenues.

While we strongly believe that a commercial market is developing both domestically and internationally for cleaner coal products such as coal processed using our technology, we may face the following risks due to the developing market for cleaner coal technology:

- limited pricing information;
- changes in the price differential between low- and high-BTU coal;
- unknown costs and methods of transportation to bring processed coal to market;
- alternative fuel supplies available at a lower price;
- the cost and availability of emissions-reducing equipment or competing technologies; failure of governments to implement and enforce new environmental standards; and
- a decline in energy prices which could make processed coal less price competitive.

If we are unable to develop markets for our processed coal, our ability to generate revenues and profits will be negatively impacted.

If we are unable to successfully construct and commercialize production plants, our ability to generate profits from our technology will be impaired.

Our future success depends on our ability to secure partners to locate, develop and construct future commercial production plants and operate them at a profit. A number of different variables, risks and uncertainties affect such commercialization including:

- the complex, lengthy and costly regulatory permit and approval process;
- potential local opposition to development of projects, which can increase cost and delay timelines;

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- increases in construction costs such as for contractors, workers and raw materials;
- transportation costs and availability of transportation;
- the inability to acquire adequate amounts of low rank feedstock coal at forecasted prices to meet projected goals;
- availability of suitable consumers of chemical by-product produced by our process;
- engineering, operational and technical difficulties; and
- possible price fluctuations of low-Btu coal which could impact profitability.

If we are unable to successfully address these risks, our results from operations, financial condition and cash flows may be adversely affected.

Future changes in the law may adversely affect our ability to sell our products and services.

A significant factor in expanding the potential U.S. market for coal processed using our technology is the numerous federal, state and local environmental regulations, which provide various air emission requirements for power generating facilities and industrial coal users. The Trump Administration has revoked a number of regulations and restrictions which had an adverse impact on the market for our products and services, and the revocation of such regulations and restrictions is expected to continue. However, the Trump Administration could change its supportive stance toward coal processing technology, and no assurance can be given as to the stance of any future US Government administrations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We have a leased satellite office at 295 Madison Avenue, New York, NY 10017 with a monthly cost of $200 per month. We lease the land at our test facility in Gillette, Wyoming. It is a three year lease at $1,000 per month. The Company paid the three year lease payment of $36,000 in advance.

ITEM 3. LEGAL PROCEEDINGS

In the matter entitled Soffin v Clean Coal Technologies, Inc Case No. 4D17-2751, the Fourth District Court of Appeal of the State of Florida issued a Non-final Opinion on July 12, 2018 unanimously affirming the Order Granting Defendants Motion for Judgment Notwithstanding the Verdict and Order Denying Plaintiff's Motion for Additur entered by the Circuit Court for the Fifteenth Judicial Circuit, Palm Beach County, Florida Case No. 502010CA028706XXXXMB in favor of Clean Coal Technologies, Inc on August 1 2017. The fifteen day remedy period for the plaintiff to appeal expired on July 27, 2018 with no motion made. This case is now closed.

In April 2018, following mediation with a vendor of an outstanding balance, the Company successfully won the case and the balance of $320,669 was waived. The company had previously recognized the $320,669 balance in accounts payable, which was reversed in April 2018 and recognized as a gain on debt settlement.

As part of the separation agreement with Mr. Ponce de Leon, the ex COO of the Company, the Company agreed to pay him his accrued salary of $1,226,711 within two years but agreed to pay him $200,000 by November 2015 out of revenues earned. As the Company did not earn revenue in 2015 and as at December 2018 has still not earned revenue, the obligation to Mr. Ponce de Leon is currently in default and as at December 31, 2018 has accrued interest of $269,878 and totals $1,496,589 at December 31, 2018. It is the Company's intention to pay Mr. Ponce de Leon these amounts as soon as possible after receiving revenue sufficient to cover such a payment.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the OTC Markets Group website under the symbol CCTC since October 12, 2007. The following table sets forth the high and low bid prices for the Company's common stock for the periods indicated. The prices below reflect inter-dealer quotations, without retail mark-up, mark-down or commissions and may not represent actual transactions.

Quarter Ended	Low	High
31-Dec-18	$0.08	$0.29
30-Sep-18	$0.07	$0.10
30-Jun-18	$0.07	$0.10
31-Mar-18	$0.09	$0.12
31-Dec-17	$0.08	$0.13
30-Sep-17	$0.08	$0.13
30-Jun-17	$0.08	$0.15
31-Mar-17	$0.09	$0.19

The closing price of our common stock as quoted on the OTC Markets on March 01, 2019 was $0.08 per share. As of March 01, 2019, there were approximately 2,205 holders of record of our common stock and 174,427,854 shares of common stock outstanding based on information provided by our transfer agent, Worldwide Stock Transfer, LLC.

Dividends

We have not paid any dividends on our common stock since our inception and do not anticipate paying any dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors and will be dependent upon then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our Board of Directors deems relevant.

Issuer Purchases of Equity Securities

During the year ended December 31, 2018, we did not purchase any of our own equity securities.

Recent Issues and Sales of Unregistered Securities

The total number of common shares issued and outstanding as of December 31, 2018 was 174,427,854.

The above securities were issued in reliance on the exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, and the regulations promulgated thereunder. The issuances were for investment received, the transactions were privately negotiated and none involved any kind of public solicitation.

Issued for Services

During the year ended December 31, 2018, Clean Coal issued an aggregate of 6,269,102 common shares for services rendered valued at $556,216 to consultants and employees.

The above shares were issued in reliance on the exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, and the regulations promulgated there under. The transactions were issuances for services performed, the transactions were all privately negotiated and none involved any kind of public solicitation.

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Issued for Convertible Debt

During the year ended December 31, 2018, Clean Coal issued an aggregate of 19,186,333 common shares for convertible notes payable valued at $1,534,907.

ITEM 6. SELECTED FINANCIAL DATA

We are a “Smaller Reporting Company” as defined under §229.10(f)(1) of Regulation S-K and are not required to provide the information required by this Item.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Annual Report on Form 10-K contains forward-looking statements (as referenced in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) that involve risks and uncertainties, as well as assumptions that, if they do not materialize or prove correct, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, statements concerning: our plans, strategies and objectives for future operations; new products or developments; future economic conditions, performance or outlook; the outcome of contingencies; expected cash flows or capital expenditures; our beliefs or expectations; activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future; and assumptions underlying any of the foregoing. Forward-looking statements may be identified by their use of forward-looking terminology, such as “believes,” “expects,” “may,” “should,” “would,” “will,” “intends,” “plans,” “estimates,” “anticipates,” “projects” and similar words or expressions. You should not place undue reliance on these forward-looking statements, which reflect our management’s opinions only as of the date of the filing of this Annual Report on Form 10-K and are not guarantees of future performance or actual results.

Overview

Clean Coal Technologies, Inc. (“We,” “Company” or “Clean Coal”) owns a patented technology that we believe will provide cleaner energy at low costs through the use of the world’s most abundant fossil fuel, coal. Our technology is designed to utilize controlled heat to extract and capture pollutants and moisture from low-rank coal, transforming it into a cleaner-burning, more energy-efficient fuel prior to combustion. Our proprietary coal cleaning process is designed to ensure that the carbon in coal maintains its structural integrity during the heating process while the volatile matter (polluting material) within the coal turns into a gaseous state and is removed from the coal. We have trade-marked the name “PRISTINE™” as a means of differentiating our processed product from the negative connotations generally associated with coal, and its traditional use. PRISTINE™ is applicable for a variety of applications, including coal-fired power stations, chemical byproduct extraction, and as a source fuel for coal-to-liquid technologies.

In September 2011, we filed for a second patent on a new technology known as Pristine-M™. The new technology is a moisture substitution technology that, owing to its superior product and economics, is expected to be highly successful in the moisture removal business globally.

During the second quarter of 2013, we filed a provisional patent application for a new process to be called Pristine-SA. The new process is designed to produce a coal product that is devoid of all volatiles and comes together with a solution for ensuring efficient and clean combustion on a level with natural gas. Now that the application on the basic concept has been filed, we expect to continue further research and development to address Pristine-SA’s potential application in various fuel and non-fuel product areas.

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Factors Affecting Results of Operations

Our operating expenses include the following:

- Consulting expenses, which consist primarily of amounts paid for technology development and design and engineering services;
- General and administrative expenses, which consist primarily of salaries, commissions and related benefits paid to our employees, as well as office and travel expenses;
- Research and development expenses, which consist primarily of equipment and materials used in the development and testing of our technology; and
- Legal and professional expenses, which consist primarily of amounts paid for audit, disclosure and reporting services.

Results of Operations

The following information should be read in conjunction with the financial statements and notes appearing elsewhere in this Report. We have generated limited revenues from inception to date. We anticipate that we may not receive any significant revenues from operations until we begin to receive royalty revenues from our coal testing plant which we estimate will be approximately 12 months after the successful signing of a commercial agreement anticipated in quarter two of fiscal 2018. We are also in preliminary discussions with companies, business groups, consortiums in the USA and Asia to license our technology, which, if successful, could realize limited short-term revenue opportunities from the signing of technology licensing agreements.

For the Years Ended December 31, 2018, and 2017.

We had no direct revenues for the years ended December 31, 2018 and 2017. In the fourth quarter of 2017 we received $100,000 as a non- refundable deposit on a two million ton license agreement from Wyoming New Power, a related party. The definitive license agreement is expected to be completed in 2019 following the assembly of the second generation test facility. In the year ended December 31, 2012, we have received an initial license fee of $375,000 from Jindal paid pursuant to the signing of our coal testing plant construction contract. The balance of $375,000 will be due upon the successful testing of Jindal coal in our second generation test facility in Wyoming. We do not anticipate any significant royalty fees for approximately 12-18 months thereafter.

Operating Expenses

Our operating expenses for the year ended December 31, 2018 totaled $2,745,129 compared to $3,693,713 for the prior year. The $948,584 decrease is mainly due to a $1,890,286 decrease in R&D expenses during 2018 as a result of winding down the development of our Pristine M technology in late 2017 and early 2018 and an $18,300 gain on sale of assets. The decrease in R&D is partially offset by a $685,980 increase in general and administrative expenses, a $206,999 decrease in gain on forgiveness of accounts payable and a $67,023 increase in consulting services.

Other Income and Expenses

Total other expense for the year ended December 31, 2018 consisted of $2,814,571 in interest expense on convertible debt and related amortization of debt discounts.

Total other income for the year ended December 31, 2017 was $1,879,961, mainly due to $4,620,866 in gain on derivative valuation, partially offset by interest expenses of $2,487,226 from the issuance of convertible debt and related amortization of debt discounts, $226,249 from debt standstill and settlement expenses and $27,430 in loss on debt extinguishment.

Net Income/Loss

For the year ended December 31, 2018, we recognized a net loss of $5,559,700, compared to a net loss of $1,813,752 for the year ended December 31, 2017. The net loss for 2018 is mainly due to $2,814,571 in interest expense on convertible debt and related debt discount amortization and $2,745,129 in operating expenses as discussed above. The net loss for 2017 is mainly due to operating expenses of $3,693,713, partially offset by other income of $1,879,961 as discussed above.

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We anticipate losses from operations will increase during the next twelve months due to anticipated increased payroll expenses as we add necessary staff and increases in legal and accounting expenses associated with maintaining a reporting company. We expect that we will continue to have net losses from operations for several years until revenues from operating facilities become sufficient to offset operating expenses, unless we are successful in the sale of licenses for our technology.

Liquidity and Capital Resources

We have generated minimal revenues since inception. We have obtained cash for operating expenses through advances and/or loans from affiliates and stockholders, the sale of common stock, the issuance of loans and convertible debentures converted or convertible to common stock and the receipt of $375,000 in license fees from Jindal as described above.

Net Cash Used in Operating Activities.

During the years ended December 31, 2018 and 2017, we used $2,775,728 and $2,982,271 in cash from operations, mainly due to the net losses discussed above, net of non-cash operating expenses of $1,769,793 in 2018 and non-cash operating gains of $3,377,354 in 2017. Our primary uses of funds in operations were payments made to our consultants and employees, legal and professional costs as well as travel and office expenses.

Net Cash Provided By Investing Activities.

During the year ended December 31, 2018, we received $18,300 in proceeds from the sale of fixed assets. We had no cash flows from investing activities in 2017.

Net Cash Provided by Financing Activities.

Net cash provided by financing activities during the years ended December 31, 2018 and 2017 totaled $2,771,400 and $2,893,600, respectively. We received $2,284,800 and $2,836,680 from the issuance of convertible debt from related parties, $36,600 and $130,010 from the issuance of notes payable to related parties and $482,500 and $0 from the

issuance of notes payable during the years ended December 31, 2018 and 2017, respectively. We repaid $32,500 on notes payable during the year ended December 31, 2018 and repaid $25,000 on convertible debt and $48,090 of notes payable during the year ended December 31, 2017.

Cash Position and Outstanding Indebtedness.

Our total indebtedness at December 31, 2018 and 2017 was $14,703,444 and $13,100,550, respectively, which consists of $12,830,656 and $11,606,992 of current liabilities and $1,872,788 and $1,493,558 of long-term debt, respectively. Current liabilities consist primarily of accounts payable, accounts payable to related parties, short-term debt, related party convertible debt and accrued liabilities. At December 31, 2018, we had current assets of $37,745, consisting of $25,745 of cash and $12,000 of prepaid assets. At December 31, 2017 we had current assets of $11,773 in cash. Our working capital deficit at December 31, 2018 and 2017 was $12,816,911 and $11,595,219, respectively.

Employees

As of December 31, 2018, we have two full-time executives, President and CEO Robin Eves and Chief Operations Officer and Chief Financial Officer Aiden Neary, who have written employment agreements. Mr. Eves and Neary received no compensation for their participation on the Board of Directors.

On July 1, 2017, we entered into two year employment agreements with Robin Eves as President and Chief Executive Officer and Aiden Neary as Chief Operating Officer, Chief Financial Officer and director. Mr. Eves receives an annual salary of $519,750. Mr. Neary receives an annual salary of $450,000. Each officer was also granted 750,000 common shares upon signing the contract.

The terms of the agreements described above were negotiated by and between the individuals and our Board of Directors based on the qualifications and requirements of each individual and the needs of the company.

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Contractual Obligations and Commitments

We secured a permanent location in Gillette, Wyoming for our test facility. The term of the lease is three years and calls for rent of $36,000, prepaid.

We lease office space in New York, NY on a month to month basis, at a monthly rate of $200 per month.

Our engineering consultants has tentatively estimated construction costs for each one million short ton coal complete cleaning facility of approximately $250 million (excluding land costs) or costs and for a similar size Pristine-M-only facility of approximately $35-40 million (excluding land costs). All intellectual property rights associated with new art developed by our engineering consultants remain our property.

We are also actively pursuing technology license and royalty agreements in order to begin construction of other facilities without incurring the capital costs associated with the construction of future plants.

In November 2015, we entered into a month to month agreement with South of the Rose communication to manage our Investor Relations needs and manage social media requirements.

Construction of the coal testing plant was completed in 2015 and testing commenced in December 2015 at the AES Coal Power Utility in Oklahoma. As of December 31, 2018, we have paid $10,014,946 in development costs. The facility was moved to Wyoming in the first quarter of 2018. We anticipate that there will be an additional cost of approximately $2 million to build the additional parts required for the second generation test facility and for its assembly.

Based on our current operational costs and including the capital requirements for our project deployments, we estimate we will need a total of approximately $5,000,000 to fund the Company for the fiscal year 2019 and an additional $4,000,000 to continue for the following fiscal year (2020) or until an initial commercial plant is up and running.

Off-Balance Sheet Arrangements

We have not and do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of establishing off-balance sheet arrangements or other contractually narrow or limited purposes. Therefore, we do not believe we are exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to changes in prevailing market interest rates affecting the return on our investments but do not consider this interest rate market risk exposure to be material to our financial condition or results of operations. We invest primarily in United States Treasury instruments with short-term (less than one year) maturities. The carrying amount of these investments approximates fair value due to the short-term maturities. Under our current policies, we do not use derivative financial instruments, derivative commodity instruments or other financial instruments to manage our exposure to changes in interest rates or commodity prices.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements required by this item are included on the pages immediately following the Index to Financial Statements appearing below.

FINANCIAL STATEMENTS INDEX

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of

Clean Coal Technologies, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Clean Coal Technologies, Inc. (the "Company") as of December 31, 2018 and 2017, and the related statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has a working capital deficit, has generated net losses since its inception and further losses are anticipated. The Company requires additional funds to meet its obligations and the costs of its operations. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/MaloneBailey, LLP

www.malonebailey.com

We have served as the Company's auditor since 2008.

Houston, Texas

March 7, 2019

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Clean Coal Technologies, Inc.

Balance Sheets

	December 31, 2018	2017
ASSETS		
Current Assets		
Cash	$25,745	$11,773
Total Current Assets	25,745	11,773
Property, plant and equipment, net of accumulated depreciation of $1,019 and $1,019, respectively	-	-
Right to use ground lease, net of accumulated amortization of $8,000	28,000	-
Total Assets	$53,745	$11,773
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$1,149,467	$2,268,507
Accrued liabilities	6,071,160	4,224,073
Customer deposit – related party	100,000	100,000
Notes payable – related parties	86,600	50,000
Notes payable, net of unamortized discounts	903,025	413,185
Convertible debt, net of unamortized discounts – related party	4,520,404	4,551,227
Total Current Liabilities	12,830,656	11,606,992
Long-Term Liabilities		
Convertible debt, net of unamortized discounts – related party	1,872,788	1,493,558
Total Liabilities	14,703,444	13,100,550
Stockholders' Deficit		
Common stock, $0.00001 par value 500,000,000 shares authorized, 174,427,854 and 148,972,419 shares issued and outstanding, respectively	1,745	1,489
Additional paid-in capital	259,320,220	255,321,698
Accumulated deficit	(273,971,664)	(268,411,964)
Total Stockholders' Deficit	(14,649,699)	(13,088,777)
Total Liabilities and Stockholders' Deficit	$53,745	$11,773

The accompanying notes are an integral part of these unaudited financial statements.

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Clean Coal Technologies, Inc.

Statements of Operations

	Years Ended December 31, 2018	2017
Operating Expenses:		
General and administrative	$2,690,062	$2,004,082
Consulting services	88,349	21,326
Gain on sale of assets	(18,300)	-
Gain on settlement of accounts payable	(322,133)	(529,132)
Research and development	307,151	2,197,437
Loss from Operations	(2,745,129)	(3,693,713)
Other Income (Expenses):		
Gain on change in fair value of derivative liabilities	-	4,620,866
Loss on extinguishment of debt	-	(27,430)
Interest expense	(2,814,571)	(2,487,226)
Debt default, standstill, settlement and transfer expenses	-	(226,249)
Total Other Income (Expenses)	(2,814,571)	1,879,961
Net (loss)	$(5,559,700)	$(1,813,752)
Net (loss) per share - basic	$(0.04)	$(0.01)
Weighted average common shares outstanding - basic	156,878,353	130,511,894
Net (loss) per share – diluted	$(0.04)	$(0.02)
Weighted average common shares outstanding – diluted	156,878,353	235,437,542

The accompanying notes are an integral part of these unaudited financial statements.

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Clean Coal Technologies, Inc.

Statements of Changes in Stockholders' Deficit

Years Ended December 31, 2018 and 2017

	Common Stock		Additional Paid-In	Accumulated	Stockholders' Equity
	Shares	Amount	Capital	Deficit	(Deficit)
Balances at December 31, 2016	101,068,451	1,011	235,702,112	(266,598,212)	(30,895,089)
Common stock issued for services	1,000,000	10	127,390	-	127,400
Common stock issued for conversion of debt and interest	36,403,968	362	2,496,324	-	2,496,686
Common stock issued for conversion of wages payable	8,000,000	80	999,920	-	1,000,000
Common stock issued for related party debt	1,000,000	10	127,390		127,400
Common stock issued for officer bonus	1,500,000	16	194,684		194,700
Reclassification of derivative to equity upon conversion	-	-	1,655,656	-	1,655,656
Derivative liabilities settled to equity	-	-	12,847,304		12,847,304
Beneficial conversion feature on convertible debt	-	-	1,170,918	-	1,170,918
Net loss	-	-	-	(1,813,752)	(1,813,752)
Balances at December 31, 2017	148,972,419	1,489	255,321,698	(268,411,964)	(13,088,777)
Common stock issued for conversion of debt and interest	19,186,333	192	1,534,715	-	1,534,907
Common stock issued for officer bonus	5,792,829	59	514,857		514,916
Common stock issued for services	376,273	4	33,296	-	33,300
Common stock issued for board of director services	100,000	1	7,999	-	8,000
Beneficial conversion feature on convertible debt	-	-	1,907,655	-	1,907,655
Net loss				(5,559,700)	(5,559,700)
Balances at December 31, 2018	174,427,854	$ 1,745	$259,320,220	$(273,971,664)	$(14,649,699)

The accompanying notes are an integral part of these unaudited financial statements.

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Clean Coal Technologies, Inc.

Statements of Cash Flows

	Years Ended December 31,	
	2018	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(5,559,700)	$(1,813,752)
Adjustment to reconcile net loss to net cash used in operating activities:		
Amortization of debt discounts	1,546,009	1,324,265
Amortization of lease asset	8,000	-
Common stock issued for officer bonus	514,916	194,700
Common stock issued for consulting expense	33,300	127,400
Common stock issued for board of director services	8,000	-
Loan default and standstill fees added to loan principal	-	98,849
Gain on settlement of accounts payable	(322,133)	(529,132)
Gain on sale of assets	(18,300)	-
Loss on extinguishment of debt	-	27,430
Gain on change in fair value of derivative liabilities	-	(4,620,866)
Changes in operating assets and liabilities:		
Customer deposits from related party	-	100,000
Increase in right to use assets	(36,000)	-
Increase (decrease) in accounts payable	(796,908)	840,896
Increase in accrued expenses	1,847,087	1,267,939
Net Cash Used in Operating Activities	(2,775,728)	(2,982,271)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of fixed assets	18,300	-
Net Cash Provided by Investing Activities	18,300	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on notes payable	482,500	-
Borrowings on related party convertible debt, net of face discounts and lender fees	2,284,800	2,836,680
Payments on convertible debt	-	(25,000)
Borrowings on related party debt	36,600	130,010
Payments on related party debt	(32,500)	(48,090)
Net Cash Provided by Financing Activities	2,771,400	2,893,600
NET CHANGE IN CASH	13,972	(88,671)
CASH - beginning of period	11,773	100,444
CASH - end of period	$25,745	$11,773

The accompanying notes are an integral part of these unaudited financial statements.

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Clean Coal Technologies, Inc.

Statements of Cash Flows

(continued)

	Years Ended December 31,	
	2018	**2017**
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$-	$-
Cash paid for income taxes	$-	$-
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Beneficial conversion feature on convertible debt – related party	$1,907,655	$1,170,918
Derivative liabilities recorded as debt discounts	$-	$1,095,215
Common stock issued for conversion of debt and accrued interest– related party	$1,534,907	$1,705,679
Common stock issued for conversion of debt and accrued interest	$-	791,007
Common stock issued for related party note payable	$-	$99,970
Third party convertible debt assigned to related party	$-	$907,100
Reclassification of derivatives to equity upon conversion	$-	$1,655,656
Reclassification of derivatives to equity upon release from tainting	$-	$12,847,304
Accrued wages and debt converted to common stock	$-	$1,000,000
Accrued cash structuring fees		$124,760

The accompanying notes are an integral part of these unaudited financial statements.

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Clean Coal Technologies, Inc.

Notes to Financial Statements

NOTE 1: NATURE OF BUSINESS

Clean Coal Technologies, Inc. (“CCTI”, the “Company”, “Clean Coal”, “we”, “our”), a Nevada corporation, is developing a patented multi-stage process that transforms coal with high levels of impurities, contaminants and other polluting elements into an exceptionally efficient, clean and inexpensive source of high energy, low polluting fuel.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

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