

Clean Coal Technologies Inc.
Form 10-K
April 17, 2017

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, 2016

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 (I.R.S. Employer
incorporation or organization) 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:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
None	N/A

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

Title of class
Common Stock

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post 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

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 \$22,380,316 based on 75,400,884 shares held by non-affiliates. The shares were valued at \$0.35 per share, that being the closing price on June 30, 2016, the last business day of the registrant's most recently completed second quarter.

As of December 31, 2016 the total number of outstanding common shares was 101,068,451 and as of April 15, 2017 the total number was 111,614,965

Documents Incorporated by Reference

None.

CLEAN COAL TECHNOLOGIES, INC.
 2016 ANNUAL REPORT ON FORM 10-K
 TABLE OF CONTENTS

	Page
PART I	
ITEM 1. <u>BUSINESS</u>	1
ITEM 1A. <u>RISK FACTORS</u>	9
ITEM 1B. <u>UNRESOLVED STAFF COMMENTS</u>	12
ITEM 2. <u>PROPERTIES</u>	12
ITEM 3. <u>LEGAL PROCEEDINGS</u>	12
PART II	
ITEM 5. <u>MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	13
ITEM 6. <u>SELECTED FINANCIAL DATA</u>	14
ITEM 7. <u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	14
ITEM 7A. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	17
ITEM 8. <u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	17
ITEM 9. <u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	34
ITEM 9A. <u>CONTROLS AND PROCEDURES</u>	34
PART III	
ITEM 10. <u>DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT</u>	35
ITEM 11. <u>EXECUTIVE COMPENSATION</u>	38
ITEM 12. <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	41
ITEM 13. <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	41
ITEM 14. <u>PRINCIPAL ACCOUNTING FEES AND SERVICES</u>	42
PART IV	
ITEM 15. <u>EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	43

Table of Contents

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 that use 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 cheaply 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 its current location at AES Coal Power Utility in Oklahoma.

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 idea is 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 anticipated to be much 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, cheap coal is a potentially lucrative side benefit of our processes.

Successful testing of the Pristine M process resulted in an increase in BTU of the processed coal and a reduction in moisture

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.

Table of Contents

Development Status:

Pristine process. Pristine process successfully lab tested on small scale and through advanced computer modeling. As at May, 2016, various aspects of the Pristine process has been tested at our test facility at the AES coal Power plant in Oklahoma as part of the testing of Pristine M.

Pristine-M. Construction of the testing plant and the testing of coal in Oklahoma is complete. As at December 31, 2016, we have paid \$7,645,142 towards the plant. The Pristine M process was successfully tested and the process, engineering and science was proven.

Pristine-SA process. Pristine SA process analysis is at a very early stage. Further research and development is expected post completion of the coal testing plant

Business Outlook

Jindal Steel & Power is expected to contract the first commercial plant in second quarter, 2017. Jindal is currently reviewing test results from the facility with the expectation of building a commercial facility.

Several multinational corporations have undertaken due diligence on our processes and some have visited the test facility to see the process in operation. We are currently working through further due diligence with them to get to a commercial agreement.

Numerous discussions continuing with various domestic and international coal producers, mine operators and power plant operators about our technology and its potential application including but not restricted to India, Australia, Indonesia and more recently here in the US.

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.

2

Table of Contents

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 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.

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 May 2016 we have tested Powder River Basin coal at our testing facility at AES Oklahoma.

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.

SAIC, LEIDOS has produced designs 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. SAIC / LEIDOS is confident that our coal cleaning process will typically be energy self-sufficient, relying upon captured methane and other byproducts to fuel the coal cleaning process.

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 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:

3

Table of Contents

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.

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 8,000 BTUs to an average of 12,500 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.

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 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

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 following its successful testing of its Pristine M process it will be able to enjoy early-mover advantage in 2017.

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.

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.

4

Table of Contents

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/US2008/060364 based 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.

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.

5

Table of Contents

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 will fall between \$7 and \$8 per ton, including \$2.00 per ton on-going maintenance. The cost of the commercial plant is expected to be highly competitive, based on preliminary estimates.

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 Q2 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.

Docket Number	Application Number	Appln/PCT Date	Grant Number	Grant Date	Country	Status
5214-0002	00818174.8	11/02/2000			China P.R. - (CN)	F - (Pending)
5214-0003	09/704,738	11/03/2000	6,447,559	09/10/2002	United States - (US)	G - (Granted)
5214-0004	2,389,970	11/02/2000	2,389,970	03/27/2012	Canada - (CA)	G - (Granted)
5214-0006	00992027.3	11/02/2000	1240280	10/02/2013	European Patent Convention - (EP)	G - (Granted)
5214-0007	2002/01914	11/02/2000	TR200201914	06/21/2005	Turkey - (TR)	I - (Inactive)
5214-0009	PCT/US2008/060364	04/15/2008			Patent Cooperation Treaty - (WO)	I - (Inactive)
5214-0010	W-00200201274	11/02/2000			Indonesia - (ID)	F - (Pending)
5214-0011	11/344,179	02/01/2006	7,879,117	02/01/2011	United States - (US)	G - (Granted)
5214-0012	03107833.3	10/30/2003			Hong Kong - (HK)	F - (Pending)
5214-0015	12/926,944	12/20/2010			United States - (US)	I - (Inactive)
5214-0016	7426/DELNP/2010	04/15/2008			India - (IN)	F - (Pending)
5214-0017	200880129212.2	04/15/2008	200880129212.2	12/25/2013	China P.R. - (CN)	G - (Granted)
5214-0018	W00201003932	04/15/2008			Indonesia - (ID)	F - (Pending)
5214-0019	2008354703	04/15/2008			Australia - (AU)	I - (Inactive)
5214-0020	2010/07455	04/15/2008	2010-07455	04/25/2012	South Africa - (ZA)	G - (Granted)

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

5214-0021	10-142509	04/15/2008			Colombia - (CO)	F - (Pending)
5214-0022	PI0822577-0	04/15/2008			Brazil - (BR)	F - (Pending)
5214-0023	01145-2010	10/19/2010			Chile - (CL)	F - (Pending)
5214-0024	4510	04/15/2008	3493	10/25/2010	Mongolia - (MN)	G - (Granted)
5214-0025	12/736,535	04/15/2008			United States - (US)	I - (Inactive)
5214-0028	201110142494.3	11/02/2000	ZL201110142494.3	10/14/2015	China P.R. - (CN)	G - (Granted)
5214-0030	61/531,791	09/07/2011			United States - (US)	I - (Inactive)
5214-0031	11110274.3	09/29/2011	HK1156065	08/15/2014	Hong Kong - (HK)	G - (Granted)
5214-0033	12102379.3	03/08/2012			Hong Kong - (HK)	F - (Pending)
5214-0035	PCT/US2012/054160	09/07/2012			Patent Cooperation Treaty - (WO)	I - (Inactive)
5214-0037	13153292.1	01/30/2013			European Patent Convention - (EP)	F - (Pending)
5214-0038	61/829,006	05/30/2013			United States - (US)	I - (Inactive)
5214-0039	13/940,026	07/11/2013			United States - (US)	I - (Inactive)
5214-0040	AL//P/2013/0342	11/02/2000	1240280	10/02/2013	Albania - (AL)	G - (Granted)
5214-0041	00992027.3	11/02/2000	1240280	10/02/2013	Austria - (AT)	G - (Granted)
5214-0042	CY20131101169	11/02/2000	1240280	10/02/2013	Cyprus - (CY)	G - (Granted)
5214-0043	00992027.3	11/02/2000	60048281.2	10/02/2013	Germany - (DE)	G - (Granted)
5214-0044	00992027.3	11/02/2000	1240280	10/02/2013	Spain - (ES)	G - (Granted)
5214-0045	00992027.3	11/02/2000	1240280	10/02/2013	Great Britain - (GB)	G - (Granted)

Table of Contents

5214-0046	00992027.3	11/02/2000 1240280	10/02/2013	Greece - (GR)	G - (Granted)
5214-0047	00992027.3	11/02/2000 1240280	10/02/2013	Ireland - (IE)	G - (Granted)
5214-0048	502013902221416	11/02/2000 1240280	10/02/2013	Italy - (IT)	G - (Granted)
5214-0049	00992027.3	11/02/2000 1240280	10/02/2013	Latvia - (LV)	G - (Granted)
5214-0050	00992027.3	11/02/2000 5154	10/02/2013	Macedonia - (MK)	G - (Granted)
5214-0051	00992027.3	11/02/2000 1240280	10/02/2013	Portugal - (PT)	G - (Granted)
5214-0052	00992027.3	11/02/2000 1240280	10/02/2013	Romania - (RO)	G - (Granted)
5214-0053	00992027.3	11/02/2000 1240280	10/02/2013	Sweden - (SE)	G - (Granted)
5214-0054	00992027.3	11/02/2000 1240280	10/02/2013	Slovenia - (SI)	G - (Granted)
5214-0055	00992027.3	11/02/2000 2013/15136	10/02/2013	Turkey - (TR)	G - (Granted)
5214-0056	14/282,558	05/20/2014		United States - (US)	F - (Pending)
5214-0057	12845210.9	09/07/2012		European Patent Convention - (EP)	F - (Pending)
5214-0058	201490565	09/07/2012		Eurasian Patent Convention - (EA)	F - (Pending)
5214-0059	2012333101	09/07/2012		Australia - (AU)	F - (Pending)
5214-0060	2,848,068	09/07/2012		Canada - (CA)	F - (Pending)
5214-0061	1722/DELNP/2014	09/07/2012		India - (IN)	F - (Pending)
5214-0062	1-2014-500512	09/07/2012		Philippines - (PH)	F - (Pending)
5214-0063	14/343,568	09/07/2011		United States - (US)	F - (Pending)
5214-0064	2014/02154	09/07/2012		South Africa - (ZA)	F - (Pending)
5214-0065	14068729	09/07/2012		Colombia - (CO)	F - (Pending)
5214-0066	MX/a/2014/002717	09/07/2012		Mexico - (MX)	F - (Pending)
5214-0067	90134-01	09/07/2012		Panama - (PA)	F - (Pending)
5214-0068	2014-529896	09/07/2012		Japan - (JP)	F - (Pending)
5214-0069	10-2014-7008281	09/07/2012		Republic of Korea - (KR)	F - (Pending)
5214-0070	P00201401962	09/07/2012		Indonesia - (ID)	F - (Pending)
5214-0071	5304	03/25/2014 4176	04/09/2015	Mongolia - (MN)	G - (Granted)
5214-0072	PI2014000646	09/07/2012		Malaysia - (MY)	F - (Pending)
5214-0073	17613	09/07/2012 17613	02/26/2015	Sri Lanka - (LK)	G - (Granted)
5214-0074	PCT/US2014/040256	05/30/2014		Patent Cooperation Treaty - (WO)	I - (Inactive)
5214-0075	15100135.9	01/07/2015		Hong Kong - (HK)	F - (Pending)
5214-0076	2015202493	05/08/2015		Australia - (AU)	F - (Pending)
5214-0077	14/891,893	05/30/2014		United States - (US)	F - (Pending)
5214-0078	2014273996	05/30/2014		Australia - (AU)	F - (Pending)
5214-0079	2,912,824	05/30/2014		Canada - (CA)	F - (Pending)
5214-0080	201480030985.0	05/30/2014		China P.R. - (CN)	F - (Pending)
5214-0081	15-304594	05/30/2014		Colombia - (CO)	F - (Pending)
5214-0082	14803703.9	05/30/2014		European Patent Convention - (EP)	F - (Pending)
5214-0083	PCT/US2014/040256	05/30/2014		Hong Kong - (HK)	F - (Pending)
5214-0084	11109/DELNP/2015	05/30/2014		India - (IN)	F - (Pending)
5214-0085	P00201508659	05/30/2014		Indonesia - (ID)	F - (Pending)
5214-0086	PCT/US2014/040256	05/30/2014		Japan - (JP)	F - (Pending)
5214-0087	714208	05/30/2014		New Zealand - (NZ)	F - (Pending)
5214-0088	2015155730	05/30/2014		Russian Federation - (RU)	F - (Pending)
5214-0089	2015/08515	05/30/2014		South Africa - (ZA)	F - (Pending)
5214-0090	10-2015-7037018	05/30/2014		Republic of Korea - (KR)	F - (Pending)
5214-0091	201610015312.9	01/11/2016		China P.R. - (CN)	F - (Pending)
5214-0092	201618002729	01/25/2016		India - (IN)	F - (Pending)
5214-0095	15/297,210	10/19/2016		United States - (US)	F - (Pending)

Table of Contents

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 January 20, 2017 and the current Trump administration all previous 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, we are continually looking to upgrade our technology and to study and define the next generation of clean coal technology. While our budget does not currently allow us to allocate a specific funding for R and D, we are continuing to work on developing new technology and upgrades to our existing technology. During 2011 we invented the new Pristine M technology which following its successful testing in 2016 we believe has already put us at the forefront of the global moisture removal technologies. This was developed on a limited budget.

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, 2016, we had two full-time executives, President and CEO Robin Eves, Chief Operations Officer and Chief Financial Officer, Aiden Neary 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.

8

Table of Contents

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 2016 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.

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.

We have been granted one U.S. patent and have several U.S. patent applications pending relating to certain aspects of our technology and we may seek additional patents on future innovations. 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.

Table of Contents

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.

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. 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.

10

Table of Contents

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 2017, based on our current contractual obligations. At December 31, 2016, we had total liabilities of \$30,995,533 and cash of \$100,444. 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;
- 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. We believe that since January 20, 2017 and the appointment of the new Trump administration a number of pre-existing regulations and restrictions will be removed.

Table of Contents

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We have leased executive office space at 295 Madison Avenue, New York, NY 10017. As at January, 2016 we have downgraded our office space to a satellite office at a monthly cost of \$200 per month.

ITEM 3. LEGAL PROCEEDINGS

We were named as a defendant in a lawsuit filed by a shareholder in the 15th Judicial Circuit Court in and for West Palm Beach County, Florida, Case No. 50 2010CA 028706XXXX MB on or about November 24, 2010. The Company has vigorously defended this action that the Company and its litigation counsel regard as absolutely frivolous, baseless and without merit. In August 2013, attorneys for the plaintiff filed a Fourth Amended Complaint. In December 2013, the Court dismissed one count of the amended complaint but plaintiff's attorneys filed a request to file a fifth amendment. In January 2014, our attorneys filed a memorandum objecting to the motion to amend. We will continue to vigorously defend the action and we do not believe that the action will be materially adverse to the company. Our attorneys have put the plaintiff's counsel on notice of our intent to seek sanctions against both the plaintiff, and the plaintiff's counsel pursuant to Florida Statute Sec.57.105. Further, we have moved to dismiss the action on the basis that the Plaintiff has procedurally, factually, and legally failed to state a cause of action up which relief can be granted.

12

Table of Contents

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-16	\$0.09	\$0.30
30-Sep-16	\$0.09	\$0.35
30-Jun-16	\$0.24	\$0.55
31-Mar-16	\$0.28	\$0.73
31-Dec-15	\$0.63	\$0.96
30-Sep-15	\$0.19	\$1.05
30-Jun-15	\$0.08	\$0.34
31-Mar-15	\$0.06	\$0.10

The closing price of our common stock as quoted on the OTC Markets on March 24, 2016 was \$0.39 per share. As of March 24, 2016, there were approximately 2,181 holders of record of our common stock and 71,500,884 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, 2016, we did not purchase any of our own equity securities.

Recent Issues and Sales of Unregistered Securities

In December 2015, we reserved 170,237 shares for Black Diamond under their Series A advancements made throughout the year. These shares have not yet been issued but are being recognized in the accounts

The total number of common shares issued and recognized as due in 2016 was 101,068,451

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, 2016, Clean Coal issued an aggregate of 12,950,000 common shares for services rendered valued at \$6,303,616 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.

Table of Contents

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.

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.

Table of Contents

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 three of fiscal 2017. 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, 2016, and 2015.

We had no revenues for the years ended December 31, 2016 and 2015. 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 review and assessment of the testing completed in April 2016 at AES, currently anticipated in the third quarter of fiscal 2017. We do not anticipate any significant royalty fees for approximately 12 months thereafter.

Operating Expenses

Our operating expenses for the year ended December 31, 2016 totaled \$10,680,343 compared to \$10,700,013 for the prior year. The \$19,670 decrease in operating expenses during the year ended December 31, 2016 compared to 2015 is mainly due to a \$5,970,319 reduction in impairment of construction in progress, partially offset by an increase of \$1,674,823 in research and development expenses, all related to the 2015 write-off and 2016 subsequent classification of expenses related to construction being deemed research and development. The decrease was also partially offset by a \$976,432 increase in consulting services and a \$3,299,394 increase in general and administrative expenses which included \$2,530,711 in employee stock expenses, and a \$976,432 increase in consulting and services expense related to the issuance of common stock for services.

All Board of Directors' cash fees have been accrued as of this date. Our CEO and President, Robin Eves, our Chief Operations Officer and Aiden Neary are not compensated for their participation on our Board.

Employees

As of December 31, 2016, we have two full-time executives, President and CEO Robin Eves and Chief Operations Officer and Chief Financial Officer Aiden Neary have written employment agreements. Mr Eves and Neary received no compensation for their participation on the Board of Directors.

On July 1, 2015, we entered into three 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 \$495,000. Mr. Neary receives an annual salary of \$375,000. Each officer was also granted 750,000 common shares.

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.

Net Income/Loss

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

For the year ended December 31, 2016, we recognized net income of \$36,556,025, compared to a net loss of \$80,331,983 for the year ended December 31, 2015. The net income and loss for both years were mainly due to the recognition of \$51,985,777 in gains and \$61,084,036 in losses on derivative liabilities for the years ended December 31, 2016 and 2015, respectively.

Total other income was \$47,236,368 for the year ended December 31, 2016, mainly due to \$51,985,777 in gain on derivative valuation, partially offset by interest expenses of \$2,640,605 and loan default and standstill expenses of \$2,089,433.

Total other expense was \$69,631,970 for the year ended December 31, 2015, mainly due to \$61,084,036 in loss on derivative valuation, as well as a loss on extinguishment of debt of \$6,042,463, interest expenses of \$2,038,681 and loan default and standstill expenses of \$466,890.

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.

15

Table of Contents

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, 2016 and 2015, we used \$2,323,129 and 1,176,176 in cash from operations. Our primary sources of operating cash during the years ended December 31, 2016 and 2015 were from issuing convertible notes payable. 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. We also commenced the repayment of an outstanding legacy settlement.

Net Cash Used In Investing Activities.

During the years ended December 31, 2016 and 2015, we used \$0 and \$2,585,171 in investing activities, respectively. In 2015 we used \$2,585,171 in cash for the construction in progress on our coal testing plant. During the year ended December 31, 2015, the Company recognized \$5,970,319 in impairment expense on project to-date construction costs and ceased capitalizing costs related to construction.

Net Cash Provided by Financing Activities.

Net cash provided by financing activities during the years ended December 31, 2016 and 2015 totaled \$2,300,507 and \$3,883,283, respectively. We received \$3,038,101 and \$5,308,680 from the issuance of convertible debt, and \$37,500 and \$50,000 from the issuance of notes payable to related parties during the years ended December 31, 2016 and 2015, respectively. We repaid \$905,644 on convertible debt during the year ended December 31, 2016 and \$19,450 and \$50,000 of notes payable to related parties during the years ended December 31, 2016 and 2015, respectively. We received \$150,000 from the issuance of a note payable during the year ended December 31, 2016.

Cash Position and Outstanding Indebtedness.

Our total indebtedness at December 31, 2016 and 2015 was \$30,995,533 and \$81,016,531, respectively, which consists \$25,742,271 and \$76,543,117 of current liabilities and \$5,253,262 and \$4,473,414 of long-term debt, respectively. Current liabilities consist primarily of accounts payable, accounts payable to related parties, short-term debt, convertible debt and accrued liabilities. At December 31, 2016 and 2015, we had current and total assets of \$100,444 and \$123,066 in cash, respectively. Our working capital deficit at December 31, 2016 and 2015 was \$25,641,827 and \$76,420,051, respectively.

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at December 31, 2016.

Payments due by period				
Total	Less	1 to 3	3 to 5	After
	than	years	years	5
	1			years

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

	year				
Facility lease (1)	\$-	\$200	\$ -	\$ -	\$ -
Total contractual cash obligations	\$-	\$200	\$ -	\$ -	\$ -

(1) Our New York lease is 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.

16

Table of Contents

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, 2016, we have paid \$7,645,142 with a further \$650,000 required to move the test plant from AES once a permanent location has been identified.

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 2017 and an additional \$5,000,000 to continue for the following fiscal year (2018) 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.

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

	PAGE
<u>Report of Independent Registered Public Accounting Firm</u>	18
<u>Balance Sheets at December 31, 2016 and 2015</u>	19
<u>Statements of Operations for the years ended December 31, 2016 and 2015</u>	20
<u>Statements of Changes in Stockholders' Deficit for the years ended December 31, 2016 and 2015</u>	21
<u>Statements of Cash Flows for the years ended December 31, 2016 and 2015</u>	22
<u>Notes to Financial Statements for the years ended December 31, 2016 and 2015</u>	24

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Clean Coal Technologies, Inc.
New York, New York

We have audited the accompanying balance sheets of Clean Coal Technologies, Inc. (the “Company”) as of December 31, 2016 and 2015 and the related statements of operations, changes in stockholders’ deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean Coal Technologies, Inc. as of December 31, 2016 and 2015 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.

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 regarding those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/MaloneBailey, LLP
www.malonebailey.com
Houston, Texas
April 17, 2017
18

Table of ContentsClean Coal Technologies, Inc.
Balance Sheets

	December 31,	
	2016	2015
ASSETS		
Current Assets		
Cash	\$ 100,444	\$ 123,066
Total Current Assets	100,444	123,066
Property, plant and equipment, net of accumulated depreciation of \$1,019 and \$1,019, respectively	-	-
Total Assets	\$ 100,444	\$ 123,066
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	\$ 1,956,743	\$ 1,285,724
Accrued liabilities	3,878,460	3,708,017
Notes payable – related parties	18,050	-
Notes payable – third parties	463,185	413,185
Convertible debt, net of unamortized discounts	1,397,222	1,131,873
Derivative liabilities	18,028,611	70,004,318
Total Current Liabilities	25,742,271	76,543,117
Long-Term Liabilities		
Convertible debt, net of unamortized discounts	5,253,262	4,473,414
Total Liabilities	30,995,533	81,016,531
Stockholders' Deficit		
Common stock, \$0.00001 par value 500,000,000 shares authorized, 101,068,451 and 60,577,714 shares issued and outstanding, respectively	1,011	606
Additional paid-in capital	235,702,112	222,260,166
Accumulated deficit	(266,598,212)	(303,154,237)
Total Stockholders' Deficit	(30,895,089)	(80,893,465)
Total Liabilities and Stockholders' Deficit	\$ 100,444	\$ 123,066

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

Table of ContentsClean Coal Technologies, Inc.
Statements of Operations

	Years Ended December 31,	
	2016	2015
Operating Expenses:		
General and administrative	4,590,720	1,291,326
Consulting services	4,414,800	3,438,368
Research and development	1,674,823	-
Impairment of construction in progress	-	5,970,319
Loss from Operations	(10,680,343)	(10,700,013)
Other Expenses:		
Gain (loss) on change in fair value of derivative liabilities	51,985,777	(61,084,036)
Loss on extinguishment of debt	(19,371)	(6,042,463)
Interest expense	(2,640,605)	(2,038,581)
Loan default and standstill expense	(2,089,433)	(466,890)
Total Other Income (Expenses)	47,236,368	(69,631,970)
Net income (loss)	\$36,556,025	\$(80,331,983)
Net income (loss) per share - basic	\$0.47	\$(1.69)
Weighted average common shares outstanding - basic	78,163,516	47,550,817
Net income (loss) per share – diluted	\$(0.09)	\$(1.69)
Weighted average common shares outstanding – diluted	185,473,774	47,550,817

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

Table of Contents

Clean Coal Technologies, Inc.
 Statements of Changes in Stockholders' Deficit
 Years Ended December 31, 2016 and 2015

	Common Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Paid-In Capital	Deficit	Equity (Deficit)
Balances at December 31, 2014	40,393,751	\$ 404	\$218,935,664	\$(222,822,254)	\$(3,886,186)
Common stock issued for services	18,196,153	182	3,037,553	-	3,037,735
Common stock issued with debt	550,000	5	97,370	-	97,375
Common stock issued for conversion of debt	1,270,325	13	49,987	-	50,000
Stock split share adjustment	(2,752)	-	-	-	-
Common stock issued with debt modification	170,237	2	139,592	-	139,594
Net loss	-	-	-	(80,331,983)	(80,331,983)
Balances at December 31, 2015	60,577,714	\$ 606	\$222,260,166	\$(303,154,237)	\$(80,893,465)
Common stock issued for services	18,614,206	186	7,756,000	-	7,756,186
Common stock issued for conversion of debt and interest	18,018,838	180	1,287,793	-	1,287,973
Common stock issued for conversion of wages payable	800,000	8	499,992	-	500,000
Common stock issued for debt standstill	750,000	8	94,992	-	95,000
Common stock issued with debt modification and settlement	2,741,937	27	1,563,652	-	1,563,679
Cancellation of shares	(434,244)	(4)	4	-	-
Derivative liabilities settled to equity	-	-	2,239,513	-	2,239,513
Net income	-	-	-	36,556,025	36,556,025
Balances at December 31, 2016	101,068,451	\$ 1,011	\$235,702,112	\$(266,598,212)	\$(30,895,089)

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

Table of ContentsClean Coal Technologies, Inc.
Statements of Cash Flows

	Years Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$36,556,025	\$(80,331,983)
Adjustment to reconcile net income (loss) to net cash used in operating activities:		
Amortization of debt discounts	1,776,565	1,352,608
Impairment of construction in progress	-	5,970,319
Common stock issued for standstill fees	1,537,308	
Stock-based compensation	7,756,186	3,037,735
Loan default and standstill fees added to loan principal	604,688	466,890
Loss on extinguishment of debt	19,371	6,042,463
(Gain) loss on change in fair value of derivative liabilities	(51,985,777)	61,084,036
Changes in operating assets and liabilities:		
Accounts payable	671,019	265,254
Accrued expenses	741,486	936,502
Net Cash Used in Operating Activities	(2,323,129)	(1,176,176)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for construction in progress	-	(2,585,171)
Net Cash Used in Financing Activities	-	(2,585,171)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on debt	150,000	-
Payments on debt	-	(1,425,397)
Borrowings on convertible debt, net of face discounts and lender fees	3,038,101	5,308,680
Payments on convertible debt	(905,644)	-
Borrowings on related party debt	37,500	50,000
Payments on related party debt	(19,450)	(50,000)
Net Cash Provided by Financing Activities	2,300,507	3,883,283
NET CHANGE IN CASH AND CASH EQUIVALENTS	(22,622)	121,936
CASH AND CASH EQUIVALENTS - beginning of period	123,066	1,130
CASH AND CASH EQUIVALENTS - end of period	\$100,444	\$123,066

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

Table of Contents

Clean Coal Technologies, Inc.
 Statements of Cash Flows
 (continued)

	Years Ended December 31,	
	2016	2014
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$37,499	\$114,905
Cash paid for income taxes	\$-	\$-
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Derivative liabilities recorded as debt discounts	\$2,249,583	\$5,479,767
Common stock issued for conversion of debt and accrued interest	\$1,287,973	\$50,000
Derivative liability settled to additional paid-in capital	\$2,239,513	\$-
Accrued wages and debt converted to common stock	\$500,000	\$-
Accrued interest transferred to debt	\$75,000	\$-
Accrued cash structuring fees	\$60,680	\$255,512
Common shares cancelled and reissued to third party	\$4	\$-
Capitalized interest	\$-	\$172,203
Common stock issued with debt	\$-	\$97,375

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

Table of Contents

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

The Company's financial statements are prepared using the accrual method in accordance with Generally Accepted Accounting Principles in the United State of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company applies the provisions of Accounting Standards Codification ("ASC") 605 Revenue Recognition (ASC 605) which provides guidance on the recognition, presentation, and disclosure of revenue in financial statements filed with the SEC. ASC 605 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosure related to revenue recognition policies. In general, the Company recognizes revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured.

The Company generated revenue in 2012 related to license fees received for the use of its technology. The license fee revenue requires no continuing performance on the Company's part and is recognized upon receipt of the licensing fee and grant of the license.

During 2012, the Company granted a 25-year technology license agreement for a one-time license fee of \$750,000. The first installment of the license fee of \$375,000 has been collected pursuant to the signing of a coal testing plant construction contract and the balance of \$375,000 will be due upon the successful testing of the coal testing plant, estimated to be in the third quarter of 2017. In addition, under the technology license agreement, the Company will receive an on-going royalty fee of \$1 per metric ton on all coal processed using the technology, up to \$4,000,000 per annum. No revenue has been earned in 2016 or 2015.

Net Loss per Common Share

Basic net loss per share is computed on the basis of the weighted average number of common shares outstanding during each year. Diluted net loss per share is computed similar to basic net loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The Company uses the "if-converted" method for calculating the earnings per share impact of outstanding convertible debentures, whereby the securities are assumed converted and an earnings per incremental share is computed. Options, warrants and their

equivalents are included in EPS calculations through the treasury stock method. In periods where losses are reported, the weighted-average number of common stock outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive.

The total number of potential additional dilutive instruments outstanding for the year ended December 31, 2015 was none since the Company had a net loss. As of December 31, 2016, the Company had 27,731,475 underlying shares related to unexercised warrants and 80,575,297 potential common shares under convertible debentures which were included in the calculation of diluted income per common share.

Cash and Cash Equivalents

Clean Coal considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for purposes of preparing its Statements of Cash Flows.

Fair Value of Financial Instruments

The fair values of the Company's financial instruments including cash, accounts payable, accrued expenses, convertible debt and notes payable approximate their carrying amounts because of the short maturities of these instruments.

24

Table of Contents

Federal Income Tax

Clean Coal files income tax returns in the U.S. federal jurisdiction, and the state of Nevada. Clean Coal's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax assets consist of the following components as of December 31, 2016 and 2015:

	2016	2015
Deferred tax assets:		
Net operating loss carryforward	\$9,785,760	\$7,880,283
Valuation allowance	(9,785,760)	(7,880,283)
	\$-	\$-

The federal income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate of 35% to pretax income from continuing operations for the years ended December 31, 2016 and 2015 due to the following:

	2016	2015
Pre-tax book income (loss)	\$12,794,609	\$(28,116,194)
Meals and entertainment	1,225	1,140
Common stock, options and warrants issued for services and debt discount	2,889,665	1,063,207
Debt settlement and extinguishment expense	-	2,114,862
Asset impairment expense	-	2,089,611
Debt discount amortization	604,046	473,413
Gain (loss) on derivative liability	(18,195,022)	21,379,413
Valuation allowance	1,905,477	994,548
	\$-	\$-

The Company had net operating losses of approximately \$28,000,000 that begin to expire in 2026. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years. In accordance with the statute of limitations for federal tax returns, the Company's federal tax returns for the years 2013 through 2016 are subject to examination.

Property and Equipment

Property and equipment consists of furniture and fixtures and computer equipment, recorded at cost, depreciated upon placement in service over estimated useful lives ranging from three to five years on a straight-line basis. As of December 31, 2016 and 2015, Clean Coal had property and equipment with no net book value. Expenditures for normal repairs and maintenance are charged to expense as incurred.

Construction in Process

Construction in progress is stated at cost, which includes the costs of construction and other direct costs attributable to the construction. No provision for depreciation is made on construction in progress until such time as the relevant

assets are completed and put into use. Interest on the borrowings related to construction is capitalized in accordance with ASC 835-20 Capitalization of Interest. During the years ended December 31, 2016 and 2015, \$0 and \$172,203 of interest was capitalized, respectively. The construction in progress asset was fully impaired during 2015 resulting in a loss of \$5,970,319.

Impairment of Long Lived Assets

In the event facts and circumstances indicate the carrying value of a long-lived asset, including associated intangibles, may be impaired, an evaluation of recoverability is performed by comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow is required.

25

Table of Contents

During the year ended December 31, 2015, the Company recognized a full impairment expense of \$5,970,319 on the development of its test facility due to the lack of revenue generation and uncertainty as to future revenue generation.

Research and Development Costs

Research and development expenses include salaries, related employee expenses, research expenses and consulting fees. All costs for research and development activities are expensed as incurred. Clean Coal expensed the costs of licenses of patents and the prosecution of patents until the issuance of such patents and the commercialization of related products is reasonably assured. During the years ended December 31, 2016 and 2015, the Company recognized \$1,674,823 and \$0 of research and development costs, respectively.

Stock-based Compensation

FASB ASC 718 established financial accounting and reporting standards for stock-based employee compensation plans. It defines a fair value based method of accounting for an employee stock option or similar equity instrument. Clean Coal accounts for stock-based compensation to employees in accordance with FASB ASC 718. Clean Coal accounts for share based payments to non-employees in accordance with FASB ASC 505-50.

Fair Value of Financial Instruments

ASC 820, Fair Value Measurements (ASC 820) and ASC 825, Financial Instruments (ASC 825), requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. It establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. It prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying values of cash, accounts payable, and accrued liabilities approximate fair value. Pursuant to ASC 820 and 825, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table sets forth by level within the fair value hierarchy the Company's financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2016 and 2015:

Level	Level		
1	2	Level 3	Total

December 31, 2016

Liabilities:

Derivative financial instruments \$ - \$ - \$ 18,028,611 \$ 18,028,611

December 31, 2015

Liabilities:

Derivative financial instruments \$ - \$ - \$ 70,004,318 \$ 70,004,318

Derivative Instruments

The Company accounts for derivative instruments in accordance with ASC Topic 815, Derivatives and Hedging (ASC 815) and all derivative instruments are reflected as either assets or liabilities at fair value in the consolidated balance sheet.

26

Table of Contents

The Company uses estimates of fair value to value its derivative instruments. Fair value is defined as the price to sell an asset or transfer a liability in an orderly transaction between willing and able market participants. In general, The Company's policy in estimating fair values is to first look at observable market prices for identical assets and liabilities in active markets, where available. When these are not available, other inputs are used to model fair value such as prices of similar instruments, yield curves, volatilities, prepayment speeds, default rates and credit spreads (including for The Company's liabilities), relying first on observable data from active markets. Additional adjustments may be made for factors including liquidity, credit, bid/offer spreads, etc., depending on current market conditions. Transaction costs are not included in the determination of fair value. When possible, The Company seeks to validate the model's output to market transactions. Depending on the availability of observable inputs and prices, different valuation models could produce materially different fair value estimates. The values presented may not represent future fair values and may not be realizable. The Company categorizes its fair value estimates in accordance with ASC 820 based on the hierarchical framework associated with the three levels of price transparency utilized in measuring financial instruments at fair value as discussed above. As of December 31, 2016 and 2015, the Company had \$18,028,611 and \$70,004,318 in derivative liabilities, respectively.

Recently Issued Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements. During the year ended December 31, 2016, the Company adopted FASB Accounting Standards Update (ASU) 2015-03 "Interest – Imputation of Interest (Subtopic 835-30)", which was issued April 2015 and adopted by the Company for the year ended December 31, 2015. In accordance with ASU 2015-03, the Company presents debt issuance costs related to a recognized debt liability in the balance sheet as a direct deduction from the carrying amount of that debt liability.

NOTE 3: GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis of accounting which contemplates continuity of operations, realization of assets, liabilities, and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if Clean Coal is unable to continue as a going concern. Clean Coal has a working capital deficit as of December 31, 2016 and has generated recurring net losses since inception. Management believes Clean Coal will need to raise capital in order to operate over the next 12 months. Clean Coal's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. Clean Coal has limited capital with which to pursue its business plan. There can be no assurance that Clean Coal's future operations will be significant and profitable, or that Clean Coal will have sufficient resources to meet its objectives. These conditions raise substantial doubt as to Clean Coal's ability to continue as a going concern. Management may pursue either debt or equity financing or a combination of both, in order to raise sufficient capital to meet Clean Coal's financial requirements over the next twelve months and to fund its business plan. There is no assurance that management will be successful in raising additional funds.

NOTE 4: RELATED PARTY TRANSACTIONS

Wages and bonus payable to related parties

Accruals for salary and bonuses to officers and directors are included in accrued liabilities in the balance sheets and totaled \$2,660,697 and \$3,047,459 as of December 31, 2016 and 2015, respectively. As part of the separation agreement with Mr. Ponce de Leon, the Company agreed to pay him all his accrued salary 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 2016 has still not earned revenue, the obligation to Mr. Ponce de Leon is currently in default. It is the Company's intention to pay Mr. Ponce de Leon immediately upon receiving revenue.

Debt and convertible debt owed to related parties

During the year ended December 31, 2015, the Company borrowed \$50,000 from its Chief Financial Officer. The loan was unsecured, bore no interest and was due on demand. The Company repaid the loan in full during 2015.

During the year ended December 31, 2016, the Company borrowed an aggregate of \$37,500 from Officers and Directors. As of December 31, 2016, the aggregate outstanding balance of note payable to Officers and Directors was \$18,050. The Company made payments totaling \$19,450 on related party debt during the year ended December 31, 2016. The notes are all unsecured, do not accrue interest and are due on demand.

Common Stock issued to related parties

During the year ended December 31, 2016, the Company issued a total of 1,785,714 common shares for the conversion of \$500,000 of salary due to an officer and additional compensation expense of \$616,071.

Table of Contents

During the year ended December 31, 2016, the Company issued 17,528,492 shares of common stock for bonuses to officers and directors valued at \$7,118,140, which was recorded as compensation expense.

During the year ended December 31, 2016, an officer of the Company transferred 434,244 common shares of the Company to a note holder on behalf of the Company for debt settlement. The transaction was accounted for as a cancellation of the 434,244 shares at par value and a new issuance of 434,244 to the note holder. As a result, \$ 19,371 was recognized as loss on debt extinguishment. .

NOTE 5: DEBT

Convertible Debt

2015

During the year ended December 31, 2015, the Company borrowed an aggregate of \$5,308,680, net of original issue discounts and fees of \$493,860, under convertible notes payable and issued an aggregate of 1,270,325 common shares for the conversion of \$50,000 in convertible debt and accrued interest. During the year ended December 31 2015, the Company repaid ten convertible notes at a cost of \$1,425,397. As of December 31, 2015, the Company had outstanding convertible notes payable of \$6,747,528, net of unamortized discounts of \$1,142,241. The outstanding convertible notes of the Company are unsecured, bear interest between 8% and 12% per annum, mature between October 2014 and December 2018 and are convertible at variable rates between 58% and 75% of the quoted market price of the Company's common stock. All notes that were convertible during the year ended December 31, 2015 were accounted for as derivative liabilities (see Note 6). Aggregate amortization of the debt discounts on convertible debt for the year ended December 31, 2015 was \$1,408,955 of which \$56,347 was capitalized as construction in progress. In 2015, the Company defaulted on and entered into standstill agreements on certain of its convertible notes resulting in an aggregate increase to the outstanding principal balance on its convertible debt of \$466,890 which was recognized as loan default and standstill expense during 2015.

In November 2015, the Company signed an umbrella financing agreement with Black Diamond Financial Group for up to an aggregate of \$7,591,472 in face value of notes. Financing advanced represents 91% of face value and attracts interest at 12%. A 5% financing fee was also accrued totaling \$255,512 and recognized as a discount to the debt. The duration of the notes is three years. There are three separate categories of funding, Series A which can be converted into units consisting of one common share and one warrant (exercisable at \$0.10 per share with a term of 3 years) at a fixed price of \$0.08 per unit, Series B which can be converted into common shares at \$0.12 per share and Series C which can be converted into common shares at \$0.15 per share. As part of the financing agreement, previously issued convertible notes to the lender with an aggregate outstanding principal amount of \$4,669,430 were converted into the three new series of notes. The Company evaluated the modification under ASC 470-50 and determined that it qualified as an extinguishment of debt. In connection with the modification, the lender received an aggregate of 170,237 shares of common stock valued at \$139,594 and 2,093,860 common stock warrants valued at \$1,674,821. The warrants are exercisable at rates between \$0.10 and \$0.15 per share and have a term of 5 years. The aggregate loss on extinguishment of debt recognized in 2015 was \$6,042,463.

2016

During the year ended December 31, 2016, the Company borrowed an aggregate of \$3,038,101, net of original issue discounts and fees of \$303,312, under convertible notes payable and issued an aggregate of 18,018,838 common shares for the conversion of \$1,231,250 in convertible debt and \$56,723 in accrued interest. During the year ended December 31 2016, the Company repaid partial balances of five convertible notes at a cost of \$905,644. As of December 31, 2016, the Company had outstanding convertible notes payable of \$6,650,484, net of unamortized discounts of \$1,920,571. The outstanding convertible notes of the Company are unsecured, bear interest between 8% and 12% per annum, mature between October 2014 and December 2019 and are convertible at variable rates between

58% and 75% of the quoted market price of the Company's common stock. All notes that were convertible during the year ended December 31, 2016 were accounted for as derivative liabilities (see Note 6). Aggregate amortization of the debt discounts on convertible debt for the years ended December 31, 2016 and 2015 was \$1,774,565 and \$1,352,608, respectively, of which \$56,347 was capitalized as construction in progress during the year ended December 31, 2015. During the years ended December 31, 2016 and 2015, the Company defaulted on and entered into standstill agreements on certain of its convertible notes resulting in an aggregate increase to the outstanding principal balance on its convertible debt of \$132,871 and \$466,890, respectively. In 2016, one of our convertible notes was in default. The note carried as collateral the company IP and assets. In March 2017 this note was bought out and the remainder of the note was converted into equity. As such the collateral was returned to the company.

During the year ended December 31, 2016, the Company entered into a Debt Settlement Agreement with a convertible note holder of two past due notes with outstanding principal balances of \$100,000 each. The settlement agreement provides for the payment of \$250,000 to settle the notes, payable in four monthly installments of \$62,500 beginning September 16, 2016. In connection with this settlement agreement, the Company transferred \$50,000 accrued interest into principal of the note. As of December 31, 2016, all payments have been made and the debt has been repaid in full.

28

Table of Contents

During the year ended December 31, 2016, the Company entered into a Debt Settlement Agreement with a convertible note holder of a past due note with an outstanding principal balance of \$100,000. The settlement agreement provides for the payment of \$125,000 to settle the note, payable in three monthly installments of \$31,250 beginning September 20, 2016. In connection with this settlement agreement, the Company transferred \$25,000 accrued interest into principal of the note. As of December 31, 2016, all payments have been made and the debt has been repaid in full.

During the year ended December 31, 2016, the Company incurred loan standstill expenses added to debt principal of \$604,688. Also during the year ended December 31, 2016, the Company issued an aggregate of 3,057,693 shares to note holders to suspend the conversion of certain outstanding convertible notes. The fair value of these shares of \$1,537,308 was recognized as a debt standstill expense.

Nonconvertible Debt

During the year ended December 31, 2016, the Company borrowed \$100,000, net of original debt discount of \$2,000 under a note payable. The note payable bears interest at 12% per annum, was due in one month and was unsecured. During 2016, the Company entered into a settlement agreement with the note holder, whereby, the Company's CEO pledged 434,244 shares as security for repayment of the note. As of December 31, 2016, these shares were transferred to the note holder to settle the debt in a total of \$102,000 principal amount. As a result, \$19,371 was recognized as loss on debt extinguishment.

During the year ended December 31, 2016, the Company borrowed \$50,000 under a note payable. The note payable bears no interest, is unsecured and due upon demand.

As of December 31, 2016 and 2015, the Company had outstanding notes payable to third parties of \$565,185 and \$413,185, respectively.

As of December 31, 2015, a total of \$714,667 note payable was in default. Outstanding notes payable and convertible notes payable consisted of the following as of December 31, 2016 and 2015:

Name	December 31,	
	2016	2015
Convertible Debt:		
Note 1	\$-	\$100,000
Note 2	-	100,000
Note 3	634,541	756,873
Note 5	-	100,000
Note 6	-	50,000
Note 7	-	25,000
Note 8	3,741,473	3,741,473
Note 9	1,630,073	1,366,336
Note 10	1,577,742	507,846
Note 19	-	-
Note 20	-	-
Note 21	80,126	-
Note 22	355,000	-
Note 23	100,000	-
Note 24	347,100	-
Note 25	105,000	-
Total	8,571,055	6,747,528

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

Less: current portion	(1,436,641)	(1,131,873)
Total long-term debt	7,134,414	5,615,655
Less: Unamortized discount	(1,881,152)	(1,142,241)
Net	\$5,253,262	\$4,473,414

Nonconvertible Debt:

Note 17	\$35,000	\$35,000
Note 18	378,185	378,185
Note 26	-	-
Note 27	50,000	-
Total	\$463,185	\$413,185

Table of Contents

NOTE 6: DERIVATIVE LIABILITIES

The Company analyzed the conversion options embedded in the convertible debt for derivative accounting consideration under ASC 815 and determined that the instruments embedded in the above referenced convertible promissory notes should be classified as liabilities and recorded at fair value due to their being no explicit limit to the number of shares to be delivered upon settlement of the conversion options. Additionally, the above referenced convertible promissory notes contain dilutive issuance clauses. Under these clauses, based on future issuances of the Company's common stock or other convertible instruments, the conversion price of the above referenced convertible promissory notes can be adjusted downward. Because the number of shares to be issued upon settlement of the above referenced convertible promissory notes cannot be determined under this instrument, the Company cannot determine whether it will have sufficient authorized shares at a given date to settle any other future share instruments. The fair values of the instruments were determined using a Black-Scholes option-pricing model.

As a result of the above, an aggregate of 142,857 previously issued nonemployee common stock options became tainted under ASC 815 and were reclassified from equity to derivative liability. On December 31, 2016 and 2015, the fair value of these tainted options was determined to be \$9,193 and \$10,374, respectively.

During November 2013, the Company issued 310,863 common stock warrants in connection with a note payable. The common stock warrants are required to be accounted for as derivative liabilities under ASC 815. On December 31, 2016 and 2015, the fair value of these warrants was determined to be \$603,787 and \$2,677,717, respectively.

During the year ended December 31, 2015, additional convertible notes with an aggregate principal amount of \$6,149,511 became convertible. The fair value of the conversion options associated with these notes was determined to be \$53,119,865, of which \$5,479,767 was recorded as a discount to the notes, \$45,965,278 was expensed as a loss on derivative liabilities and \$1,674,821 was recognized as loss on debt extinguishment. The aggregate fair value of the outstanding derivative liabilities on the conversion option is \$67,316,227 as December 31, 2015.

During the year ended December 31, 2016, additional convertible notes with an aggregate principal amount of \$2,478,635 became convertible. The fair value of the conversion options associated with these notes was determined to be \$5,473,082 of which \$2,249,583 was recorded as a discount to the notes and \$3,223,499 was expensed as a loss on derivative liabilities. Also during the year ended December 31, 2016, convertible notes with an aggregate principal amount of \$1,231,250 and accrued interest of \$56,723 were converted into common shares. The fair value of the derivative liabilities associated with these converted notes was determined to be \$2,239,513 on the dates of conversion. This amount was reclassified from derivative liabilities to additional paid-in capital as resolution of derivative liabilities. As of December 31, 2016, the aggregate fair value of the outstanding derivative liabilities associated with convertible notes was \$17,415,631. For the year ended December 31, 2016, the net gain on derivative liabilities was \$51,985,777.

The Company estimated the fair value of the derivative liabilities using the Black-Scholes option pricing model and the following key assumptions during the years ended December 31:

	2015	2014
Expected dividends	-	% -
Expected term (years)	0.17 – 5.00	0.12 – 3.00
Volatility	79% - 272	% 155% - 237 %
Risk-free rate	0.16% - 1.57 %	0.09% - 1.76 %

The below table presents the change in the fair value of the derivative liabilities during the years ended December 31, 2016 and 2015:

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

Fair value as of December 31, 2014	\$1,765,695
Fair value on the date of issuance recorded as debt discounts	5,479,767
Fair value on the date of issuance recognized as loss on derivatives	45,965,278
Loss on extinguishment of debt	1,674,820
Resolution of derivatives	(1,685,616)
Loss on change in fair value of derivatives	15,118,758
Fair value as of December 31, 2015	70,004,318
Fair value on the date of issuance recorded as debt discounts	2,249,583
Fair value on the date of issuance recognized as loss on derivatives	3,223,499
Resolution of derivatives	(2,239,513)
Gain on change in fair value of derivatives	(55,209,276)
Fair value as of December 31, 2015	\$18,028,611

30

Table of Contents

NOTE 7: EQUITY TRANSACTIONS

Common Stock

2015

During the year ended December 31, 2015, the Company issued an aggregate of 18,196,153 common shares for services rendered valued at \$3,037,735.

In February 2015, the Company issued a total of 1,270,325 shares upon the conversion of convertible debt of \$50,000.

In June 2015, the Company issued a total of 550,000 shares to 802 Investments in connection with the issuance of a convertible note of \$250,000. The relative fair value of the stock was determined to be \$97,375 and was recognized as a discount to the debt.

On November 25, 2015, the Company issued 170,237 shares to Black Diamond Financial Series A note holder in connection with the modification of previously issued convertible notes (see Note 6). The fair value of the shares of \$139,594 was recognized as a loss on debt extinguishment.

During 2015, 2,752 common shares were cancelled to correct for a rounding adjustment resulting from the reverse stock split.

2016

During the year ended December 31, 2016, the Company issued an aggregate of 17,628,492 common shares for services rendered valued at \$7,140,115.

During the year ended December 31, 2016, the Company issued an aggregate of 3,491,937 common shares for debt modification and standstill fees valued at \$1,658,679.

During the year ended December 31, 2016, the Company issued 1,785,714 common shares for accrued wages of \$500,000 and additional compensation expense of \$616,071.

During the year ended December 31, 2016, the Company issued an aggregate of 18,018,838 common shares to eight different note holders for conversion of \$1,231,250 convertible debt principal and of \$56,723 accrued interest.

Options

There were no common stock options issued and no unamortized options expense during the years ended and as of December 31, 2016 and 2015.

The following table presents the stock option activity during the years ended December 31, 2016 and 2015:

	Options	Weighted Average Exercise Price
Outstanding - December 31, 2014	714,286	\$ 4.68
Granted	-	-
Forfeited/canceled	-	-
Exercised	-	-
Outstanding - December 31, 2015	714,286	\$ 4.68
Granted	-	-
Forfeited/canceled/expired	28,573	8.40

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

Exercised	-	-
Outstanding - December 31, 2016	685,713	\$ 4.52
Exercisable – December 31, 2015	714,286	\$ 4.68
Exercisable – December 31, 2016	685,713	\$ 4.52

The weighted average remaining life of the outstanding options as of December 31, 2016 and 2015 was 2.62 and 3.48 years and the intrinsic value of the exercisable options was \$0 and \$0, respectively.

31

Table of Contents

Warrants

In November 2013, the Company issued a lender an aggregate of 310,863 common stock warrants in connection with a note payable. The warrants are exercisable immediately at \$1.75 per share and expire on November 30, 2018. These warrants were accounted for as derivative liabilities under ASC 815 (see Note 6). The fair value of the warrants of \$292,148 was recorded as a debt discount which is being amortized to interest expense over the life of the note. The fair value was determined using the Black-Scholes Option Pricing Model. The significant assumptions used in the model include (1) discount rate of 1.34%, (2) expected term of 5.01 years (3) expected volatility of 154% and (4) zero expected dividends.

During the year ended December 31, 2016 and 2015, the Company granted 424,535 and 2,360,457 warrants with convertible debt, respectively. These warrants are tainted under ASC 815. The fair value of these warrants associated with the notes was determined to be \$187,359 and \$1,855,368 as of December 2016 and 2015, respectively, of which \$187,359 and \$0 was recorded as a discount to the notes and \$0 and \$1,855,368 was expensed as a loss on derivative liabilities (see Note 6) during the years ended December 31, 2016 and 2015, respectively.

The following table presents the stock warrant activity during the years ended December 31, 2016 and 2015:

	Warrants	Weighted Average Exercise Price
Outstanding - December 31, 2014	4,529,434	\$ 0.60
Granted	2,360,457	0.11
Exercised	-	-
Outstanding - December 31, 2015	6,889,891	0.43
Granted	424,532	0.14
Exercised	-	-
Outstanding - December 31, 2016	7,314,423	0.41
Exercisable - December 31, 2015	6,889,891	\$ 0.60
Exercisable - December 31, 2016	7,314,423	\$ 0.41

The weighted average remaining life of the outstanding warrants as of December 31, 2016 and 2015 was 3.12 and 4.05 years, respectively. The intrinsic value of the exercisable warrants as of December 31, 2015 and 2014 was \$169,873 and \$752,400, respectively.

NOTE 8: OPERATING LEASES

Clean Coal has one operating lease for its executive offices in Manhattan, New York. Effective February 1, 2014, the lease is month to month, at a monthly rate of \$200 per month.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Litigation

We were named as a defendant in a lawsuit filed by a shareholder in the 15th Judicial Circuit Court in and for West Palm Beach County, Florida, Case No. 50 2010CA 028706XXXX MB on or about November 24, 2010. The Company has vigorously defended this action that the Company and its litigation counsel regard as absolutely frivolous, baseless and without merit. In August 2013, attorneys for the plaintiff filed a Fourth Amended Complaint.

In December 2013, the Court dismissed one count of the amended complaint but plaintiff's attorneys filed a request to file a fifth amendment. In January 2014, our attorneys filed a memorandum objecting to the motion to amend. We will continue to vigorously defend the action and we do not believe that the action will be materially adverse to the company. Our attorneys have put the plaintiff's counsel on notice of our intent to seek sanctions against both the plaintiff, and the plaintiff's counsel pursuant to Florida Statute Sec.57.105. Further, we have moved to dismiss the action on the basis that the Plaintiff has procedurally, factually, and legally failed to state a cause of action up which relief can be granted.

32

Table of Contents

The Company is currently contesting a charge from a vendor claiming \$320,000 in charges for work provided on its test facility. It is the Company's contention that they have been overcharged by \$205,000 based on evidence submitted by third parties and is seeking remediation for this overcharge. As at December 31, 2016 the full charge of \$320,000 has been recognized in the company's books and records.

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 2016 has still not earned revenue, the obligation to Mr. Ponce de Leon is currently in default. It is the Company's intention to pay Mr. Ponce de Leon immediately upon receiving revenue.

NOTE 10: SUBSEQUENT EVENTS

Equity

In January 2017 the company issued a total of 1,677,295 common shares as part of debt conversions for a total of \$150,000.

In February 2017, the Company issued a total of 1,592,095 common shares as part of convertible debt reduction of \$150,000.

In March 2017, the company converted debt of \$385,389 into 5,507,142 common shares.

In March 2017, the company issued an additional total of 1,769,712 common shares comprising of convertible note debt reduction of \$75,000 for 1,050,546 common shares true-up conversion of 719,166 common shares.

Debt

In February 2017, the Company was advanced \$130,000 by management as a 0% loan repayable on demand.

In March 2017, the company assigned the remaining balance of a convertible note from Typenex to James Besser for a total of \$385,389.

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in our independent accountants, MaloneBailey, LLP, or disagreements with them on matters of accounting or financial disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2016, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our financial disclosure controls and procedures were not effective due to our limited internal resources and lack of ability to have multiple levels of transaction review.

Management's Report on Internal Control over Financial Reporting

Management is responsible for the preparation and integrity of our published consolidated financial statements. The consolidated financial statements have been prepared in accordance with GAAP and, accordingly, include amounts based on judgments and estimates made by management. Management also prepared the other information included in the annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

Management is responsible for establishing and maintaining a system of internal control over financial reporting, which is intended to provide reasonable assurance to our management and Board of Directors regarding the reliability of our consolidated financial statements. The system includes but is not limited to:

- a documented organizational structure and division of responsibility;
- established policies and procedures to foster a strong ethical climate which is communicated throughout the Company;
- regular reviews of our consolidated financial statements by qualified individuals; and
- the careful selection, training and development of our employees and personnel.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Also, the effectiveness of an internal control system may change over time. We have implemented a system of internal control that was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with GAAP.

Management has assessed our internal control system in relation to criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. Based upon these criteria, we believe that, as of December 31, 2016, our system of internal control over financial reporting was not effective due to material weaknesses that were identified. The material weaknesses are caused by our limited internal resources and limited personnel. We presently have only three officers. The material weaknesses include 1.) no segregation of duties within the Company, 2.) there is no management oversight or multiple levels of supervision and review, no control documentation being produced, no one to review control documentation if it was being produced, 3.) no audit committee, and 4.) a lack of expertise in the application of generally accepted accounting principles in regard to the accounting and reporting of our derivative

transactions.

Changes in Internal Control over Financial Reporting

There were no changes in disclosure controls and procedures that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially effect, our disclosure controls and procedures. We do not expect to implement any changes to our disclosure controls and procedures until there is a significant change in our operations or capital resources.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission for smaller reporting companies that permit the Company to provide only management's report in this annual report.

34

Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The executive officers and directors of the Company are as follows:

Name	Age	Position	Held Since
Robin T. Eves	66	CEO, President, Director	August 2010
Thomas Shreve	65	Director	November 2015
Edward Jennings	77	Chairman of the Board	September 2007
Scott Younger	74	Director	November 2013
Aiden Neary	45	COO, CFO, Director	February 2016

Certain biographical information with respect to our current officers and directors is set forth below.

Robin Eves has been our Chief Executive Officer, President and a member of the Board of Directors since August 2010. Prior to his appointment with the Company, from February 2009 through August 2010, he served as the CEO of Atlantic Energy Group Ltd., a global energy company developing a major storage and pipeline initiative in South Carolina and the build-out of a global trading business in London, Singapore and the rest of Asia. From the period March 2005 to January 2009 he worked with Oil Trade and Transport LLC, working closely with Sempra Energy Trading. He was responsible for business development in Russia, India and the Middle East. Also during the period, from March 2003 to February 2005, Mr. Eves served as Managing Director and global head of crude and refined products for United Bank of Switzerland. From October 2002 to February 2003, Mr. Eves acted as a consultant for Barclays Capital in London, hired to do an extensive due diligence on the Russian/former Soviet Union markets in preparation for Barclays' possible re-entry into those markets. From February 1990 to September 2002, Mr. Eves served as Managing Director for Synergy International SA/Magna Oil and Gas LLC/CCL Oil, where he was responsible for all trading and structured transactions. Prior to that time, from 1987 to 1990, Mr. Eves served as Vice-President and global head of products trading, and from 1976 to 1987, worked in various positions with Cargill.

We believe that Mr. Eves' qualifications to serve on the Board of Directors include his extensive background in all aspects of the global energy business, including experience in crude and refined products for power production, including gas and coal, as well as related emissions controls.

Dr. Edward Jennings is currently the Chairman of the Board for the Company. He was previously President Emeritus and Professor of Finance at Ohio State University. For the past five years, Dr. Jennings has managed his own investments and acted as a private business consultant to non-related interests. Dr. Jennings was engaged in several university leadership assignments including President, Ohio State University, 1981-1990; President, University of Wyoming, 1979-1981; and Vice President of Finance and University Studies, University of Iowa, 1976-1979. He has had faculty assignments at the University of Iowa, University of Dar Es Salaam, and the University of Hawaii. Dr. Jennings has been widely published in major academic journals and is the co-author of a basic investment textbook now in its fourth printing. He has traveled extensively in the Far East, Europe, and Africa on various trade missions, and assisted in the development of academic ties with numerous international universities. Education: University of North Carolina, BS in Industrial Management; Case Western Reserve University, MBA in Finance; University of Michigan, Ph.D. in Finance.

We believe that Mr. Jennings's qualifications to serve on the Board of Directors include his extensive business investment experience.

Dr. Scott Younger was appointed to the Board of Directors in November 2013. Dr. Younger is a recognized leader in infrastructure development across Asia, having held a range of senior academic, consulting and business development roles in Hong Kong, Thailand and Indonesia over the past 35 years. He has served as project manager and consultant in many World Bank and ADB funded road and water sector programs, with projects in 10 Asian countries. He was Team Leader for the UK and World Bank funded, award winning Master's Degree program in Highway and Transport Engineering at the Institute of Technology Bandung, 1986-93. He currently serves as a Director of PT Nusantara Infrastructure Tbk, a public listed company, investing in infrastructure in Indonesia and for whom he chairs their joint venture (Louis Dreyfus Int'l) port operation in Lampung; and as Commissioner for the East Bali Poverty Project, a model in sustainable development. In 2003 he was awarded the OBE for services to civil engineering and British business interests in Indonesia. Dr. Younger is also President Commissioner of Glendale Partners, a leading infrastructure, natural resources, renewable energy and consulting firm based in Jakarta, Indonesia, and Chairman of the EuroCham Working Group on Infrastructure, and Senior Vice-Chairman of the International Business Chamber, with a particular remit to report on infrastructure. He is a current member of the Eurocham Board and former Member of the Board of the British Chamber of Commerce (1996-2004 and 2010-2012), and responsible for preparing annual reports for government infrastructure. He is also a director of Prime Pacific Coal and Prime Pacific Gold (Singapore). Dr. Younger holds degrees in Engineering from Glasgow, UC Berkeley and Hong Kong.

35

Table of Contents

We believe that Dr. Younger's qualifications to serve on the Board of Directors include his over 35 years of professional experience working throughout Asia, including work as academic, consulting and business development as well as his engineering background.

Aiden Neary was appointed as Chief Financial Officer of the Company on November 26, 2013 and Chief Operating Officer in July 2015. In January 2016 Mr Neary was appointed to the Board of Directors. Since October 2010, Mr. Neary has been exploring opportunities across the investment banking landscape and has also pursued private interests including charitable work. From February 2010 to October 2010, he served as Managing Director and Chief of Staff for Global Equity at UBS in Stamford, Connecticut. From November 2006 to February 2010, Mr. Neary was Executive Director and Chief of Staff for Global Equity at UBS. From June 2003 to November 2006, he served as Executive Director and COO for the Global Commodity Business at UBS. Prior to that position, from February 2002 to June 2003, he was Director and Business Manager for Global Government Bond and Derivative business at UBS in London, and from August 2000 to February 2002, as Associate Director and Business Manager for Global Government Bond and Derivative Business at UBS in London. Prior to joining UBS, from January 2000 to July 2000, Mr. Neary was Manager and Head of Product Control for Fixed Income Derivatives at Schroders Investment Bank in London. From January 1995 to January 2000, he was Manager and Head of Product Control for Government Bonds and Derivatives at ING Barings. Mr. Neary earned a degree in Accounting and Law from Kingston University in London (1990 – 1993), and is a Chartered Management Accountant since 1998.

We believe that Mr Nearys qualifications to serve on the Board of Directors include his over 15 years of professional experience working in Investment Banking and his over two years of working with Clean Coal Technologies Inc.

Mr. Thomas W. Shreve was appointed to the Board of Directors in November, 2015. Mr Shreve moved from California to Indonesia in 1991 to serve as country representative for New York-based law firm Milbank, Tweed, Hadley & McCloy, and over the succeeding 24 years has been a leading transaction execution specialist and business executive in Indonesia. Tom has managed some of the more significant transactions recently undertaken by Indonesian companies, including the permanent acquisition financing and subsequent sale of Berau Coal Energy, and the acquisition of Inter Milan Football Club by a group of Indonesian businessmen. He served as an officer of Berau Coal Energy and as a non-executive director of Inter Milan Football Club. As a lawyer in Jakarta affiliated with Milbank in the early 1990s, Mr. Shreve advised the issuers in the first New York Stock Exchange listing by a private sector Indonesian company, as well as the first U.S. public bond issue by a private sector Indonesian company. As an investment banker, he advised the Indonesian Government in the sale of distressed assets in the aftermath of the Asian Financial Crisis of 1997-98. He served as Chief Executive Officer of Recapital Investment Group from 2009-14 and of Acuatico Pte. Ltd., a water infrastructure company, in 2014-15. A member of the California Bar, Mr. Shreve earned his J.D. degree at Northwestern University School of Law in Chicago.

We believe that Mr Shreves qualifications to serve on the Board of Directors include his strong legal and business connections across Asia and in particular in Indonesia where he currently resides.

All directors will hold office until the next annual meeting of stockholders (currently expected to be held in the third quarter of 2017) and until their successors have been duly elected and qualified. There are no agreements with respect to the election of directors. Vacancies on the Board of Directors during the year may be filled by the majority vote of the directors in office at the time of the vacancy without action by the stockholders.

Board Committees

At this filing date, we do not have an audit committee, compensation committee or nominating committee. Our full Board currently performs the duties and responsibilities of such committees. Due to the size of the Company and due to the small number of directors that we had for 2015, we believed it was appropriate for the full Board to handle the

responsibilities of these committees. It is our intention through 2017, as our Board increases in size, to introduce a number of committees.

Audit Committee Financial Expert

We do not have an audit committee financial expert because we do not currently have adequate resources to appoint such an individual to our Board.

Code of Conduct

On February 11, 2013, the board of directors approved a code of business conduct and ethics, filed as an exhibit to the Company's Current Report on Form 8-K on February 14, 2013.

36

Table of Contents

Board Leadership Structure and Role in Risk Oversight

The Board of Directors has risk oversight responsibility for the Company and administers this responsibility directly. The Board of Directors oversees our risk management process through regular discussions of our risks with senior management both during and outside of regularly scheduled Board of Directors meetings. In addition, the Board of Directors administers our risk management process with respect to risks relating to our accounting and financial controls.

Our Board of Directors has no policy with regard to the separation of the offices of Chairman of the Board and Chief Executive Officer, and believes, given the size of our company, no such formal policy is necessary at this time. The current Chairman of the Board, Edward Jennings, is an independent director and has served as Chairman since 2007.

Director Independence

Our Board is not subject to any independence requirements. However, our Board has reviewed the independence of its directors under the requirements set forth by the NASDAQ Stock Market. Messrs. Eves and Ponce de Leon are officers of the Company and therefore not deemed independent directors. Dr. Jennings and Dr. Younger are deemed to be independent directors.

Meetings of our Board of Directors

Our Board of Directors held 4 meetings during the fiscal year ended December 31, 2015 (including meetings conducted by telephone conferencing). No director attended less than 75% of all board meetings during the fiscal year ended December 31, 2016. All current Board members and all nominees for election to the Board of Directors are encouraged to attend our annual meetings of stockholders, either in person or by teleconference.

Nomination of Director Candidates

We receive suggestions for potential director nominees from many sources, including members of the Board, advisors, and stockholders. Any such nominations, together with appropriate biographical information, should be submitted to the Chairperson of the Board in the manner discussed below. Any candidates submitted by a stockholder or stockholder group are reviewed and considered in the same manner as all other candidates.

Qualifications for consideration as a Board nominee may vary according to the particular areas of expertise being sought as a complement to the existing board composition. However, minimum qualifications include high level leadership experience in business activities, breadth of knowledge about issues affecting the Company, experience on other boards of directors, preferably public company boards, and time available for meetings and consultation on Company matters. Our Board does not have a formal policy with regard to the consideration of diversity in identifying director candidates, but seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board, to the Company and our stockholders. Candidates whose evaluations are favorable are then chosen by the full Board. The full Board selects and recommends candidates for nomination as directors for stockholders to consider and vote upon at the annual meeting.

Stockholder Communications

Stockholders wishing to communicate with the Board of Directors or with a specific director may send a letter to our corporate secretary at Clean Coal Technologies, Inc., 295 Madison Avenue (12th Floor), New York, NY 10017, and should be marked to the attention of the appropriate director or directors. Our secretary will circulate the communications (other than commercial solicitations) to the appropriate director or directors. Communications marked "Confidential" will be forwarded unopened.

Directors' Compensation

In 2016, all meetings were via telephone conference. The Board plans one regularly scheduled meeting each fiscal quarter and may schedule additional meetings as necessary. For fiscal 2017, Dr. Younger and Mr Shreve will each

receive annual compensation as a director of \$25,000 which will be paid only upon available cash flow. In addition, Dr. Younger received 28,572 common shares upon his appointment as a director and Mr Shreve received 100,000 common shares.

All of our present non-employee directors, have other employment or sources of income and will routinely devote only such time to the Company necessary to maintain its viability. It is estimated that each non-employee director will devote at least 2 days per month to the Company's corporate activities.

Stock Ownership Requirements

The Board of Directors has encouraged its members to acquire and maintain stock in the Company to link the interests of such persons to the stockholders. However, the Board of Directors has not established stock ownership guidelines for members of the Board of Directors or the executive officers.

37

Table of Contents

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

At this time, we do not have a compensation committee or a fully developed compensation policy. We have only three executive officers, our CEO and president, our Chief Operations Officer, and our Chief Financial Officer. Their employment agreements were negotiated by the board of directors with the terms based on the board's assessment of their qualifications and requirements.

We anticipate establishing a compensation committee sometime in the next 12 months. The following Compensation Discussion and Analysis describes prospectively the expected duties, responsibilities and role of our future Compensation Committee as well as the material elements of our planned compensation for our future executive officers. The information below provides the description of compensation policies that we intend to make applicable to executive officers and other highly compensated individuals under employment and/or consulting arrangements in the future.

Planned Objectives of Our Compensation Program

The primary objective of our compensation program, including our executive compensation program, will be to maintain a compensation program that will fairly compensate our executives and employees, attract and retain qualified executives and employees who are able to contribute to our long term success, encourage performance consistent with clearly defined corporate goals and align our executives' long term interests with those of our stockholders. To that end, our future compensation practices will be intended to:

1. Tie total compensation to the Company's performance and individual performance in achieving financial and non-financial objectives; and
2. Align senior management's interests with stockholders' interests through long term equity incentive compensation.

Expected Role of the Compensation Committee

The Compensation Committee, once formed, will determine the compensation of our Chief Executive Officer and, in consultation with the Chief Executive Officer, and our other executive officers. In addition, the Compensation Committee will be responsible for adopting, reviewing and administering our compensation policies and programs, including any cash bonus incentive plan or equity incentive plan that we may adopt. We anticipate that our Compensation Committee will adhere to a compensation philosophy that (i) seeks to attract and retain qualified executives who will add to the long term success of the Company, (ii) promotes the achievement of operational and strategic objectives, and (iii) compensates executives commensurate with each executive's level of performance, level of responsibility and overall contribution to the success of the Company.

In determining the compensation of our Chief Executive Officer and our other executive officers, the Compensation Committee expects to consider the financial condition and operational performance of the Company during the prior year. In determining the compensation for executive officers other than the Chief Executive Officer, the Compensation Committee plans to consider the recommendations of the Chief Executive Officer.

The Compensation Committee will review the compensation practices of other companies, based in part on market survey data and other statistical data relating to executive compensation obtained through industry publications and other sources. The Compensation Committee does not intend to benchmark the Company's compensation program directly with other publicly traded companies or other companies with which we may compete for potential executives

since some of these competitors are privately held companies for which executive compensation information may not be available. However, the Compensation Committee intends to compare our executive compensation program as a whole with the programs of other companies for which survey data is available, and will also compare the pay of individual executives if the jobs are sufficiently similar to make the comparison meaningful. The Compensation Committee plans to use such survey data primarily to ensure that our executive compensation program as a whole will be competitive.

Components of Future Executive Compensation

We anticipate that our future executive employment agreements will provide that employees will be compensated by salary and bonus, with bonuses potentially including cash and equity components. The specific elements of the future compensation program are not determined but will most likely include base salary, an annual cash performance bonus and long term equity incentives. Our compensation program will be designed to provide our executives with incentives to achieve our short and long term performance goals and to pay competitive base salaries. Each executive officer's current and prior compensation will be considered in setting future compensation.

38

Table of Contents

In addition, we expect employment agreements with our executive officers to provide for other benefits, including potential payments upon termination of employment. Once established, the compensation committee will consider all of the above components in determining the exact makeup of the total executive compensation package as well as the factors to be applied in establishing each component.

Perquisites and Other Benefits

At this time, we do not expect to provide perquisites or personal benefits to future executive officers, other than the payment of health insurance premiums and payment of life insurance premiums.

Employment Agreements

We signed two year employment agreements effective July 1, 2015, with Robin Eves, as Chief Executive Officer and President, and Mr Neary as COO/CFO. Mr. Eves will receive an annual salary of \$495,000. Each officer was granted a signing bonus of 750,000 shares of the Company's restricted common stock upon execution of the agreements. In addition, each officer was granted an additional 750,000 common shares payable following the one year completion of the contract due July 1, 2016 .

The above employment agreements include provisions for participation in employee benefit programs if the Company adopts such programs during the term of the agreements. The agreements also include certain anti-takeover provisions that would require payment of annual salary as well as immediate vesting of all equity compensation if an entity acquiring the Company did not offer comparable positions to each officer.

Neither Mr. Eves, nor Mr. Neary is compensated for their contributions to the Board of Directors.

We have not entered into employment agreements with any other officers, directors, or any other persons but may do so during the current fiscal year as we expand operations.

Other Key Employees and Consultants

As at December 31, 2016 we have no other employees in the company.

Employee Benefits

When we have adequate financing, we intend to offer employee health insurance benefits coverage to provide our workforce with a reasonable level of financial support in the event of illness or injury. It is our intention to offer health insurance benefits to all full time employees, including executive officers.

Accounting Matters

We have adopted the provisions of ACS 718 Compensation – Stock Compensation which requires the fair value of options to be recorded as compensation cost in the consolidated financial statements. Options in our compensation packages result in additional compensation costs being recognized.

Stock Ownership Requirements

The Board of Directors has encouraged its members to acquire and maintain stock in the Company to link the interests of such persons to the stockholders. However, the Board of Directors has not established stock ownership guidelines for members of the Board of Directors or the executive officers.

The Company has not adopted any other bonus, profit sharing, or deferred compensation plan.

39

Table of Contents

The following table sets forth, for the last two years, the dollar value of all cash and non-cash compensation earned by the Company's named executive officers.

SUMMARY COMPENSATION TABLE

Officers Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Robin Eves, Pres and CEO (1)	2016	495,000	250,000	-	-	-	745,000
	2015	495,000	250,000	-	-	-	745,000
Aiden Neary, COO/CFO	2016	375,000	250,000				625,000
	2015	375,000	250,000				625,000

(1) On July 8, 2013, Robin Eves was issued 28,571 common shares in lieu of interest on loans made to the company. The value for these shares was \$19,747. As a bonus for forbearance on payment of monthly fees, Mr. Eves was approved to receive 57,143 common shares on October 7, 2013. These shares had a value of \$80,000 based upon \$1.40 on the day that the shares were approved. Mr. Eves also received an approval for bonus shares for the year 2013 on December 4, 2013. The amount of shares approved was 142,857 shares with a value of \$165,000 based upon \$1.15 per share on the date of the approval. Through December 31, 2014, Robin Eves returned 1,273,360 common shares back to the Company. Mr. Eves also returned 457,143 options back to the company that were previously awarded.

(2) On November 26, 2013 Aiden Neary signed a two year Executive Employment Agreement which called for 142,857 shares to be issued at the time of signing his agreement and 142,857 that vest 1 year after the date of grant. These shares were approved to be issued and the issuance was deferred until after the Company completes its planned common stock reverse. The fair value of this award was determined to be \$300,000 based upon \$1.05 on the date of grant. Mr. Neary was approved to receive 28,571 shares of stock as a bonus for 2013 on December 4, 2013. These shares had a value of \$33,000 based upon \$1.15 per shares on the date of the approval. Through year ended December 31, 2015 Mr. Neary returned 497,527 common shares back to the company. Mr. Neary also forfeited his right of the second tranche of 142,857 shares before vested.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows outstanding grants of stock options and grants of unvested stock awards outstanding on the last day of the fiscal year ended December 31, 2016, to each of the executive officers named in the Summary Compensation Table.

Name	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested

Edgar Filing: Clean Coal Technologies Inc. - Form 10-K

(#) Not
Vested
(\$)

Robin Eves 285,714 \$ 1.05 8/1/2020

40

Table of Contents

The following table sets forth, for the current year, the dollar value of all cash and non-cash compensation for the Company's directors.

DIRECTOR COMPENSATION

Name	Year	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Non Qualified Deferred Compensation Earnings	All Other Compensation (\$)	Total (\$)
Robin Eves	2016	-	-	-	-	-	-	-
Aiden Neary	2016	-	-	-	-	-	-	-
Ed Jennings	2016	-	-	-	-	-	-	-
Scott Younger(1)	2016	25,000	-	-	-	-	-	25,000
Thomas Shreve(2)	2016	25,000	-	-	-	-	-	25,000

(1)Mr. Younger's directors fees have been accrued

(2)Mr Shreve directors fees of \$25,000 was accrued in 2016

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information, as of December 31, 2016, with respect to each person known by the Company to own beneficially more than 5% of the 96,269,722 shares of our issued and outstanding common stock, as well as the beneficial ownership of each director and officer and all directors and officers as a group. We are not aware of any present arrangements that could result in a change of control of the Company. Except as otherwise indicated, each of the stockholders listed below has sole voting and investment power over the shares beneficially owned. Except as otherwise indicated, addresses are c/o Clean Coal Technologies, Inc., 295 Madison Avenue (12th Floor) New York, NY 10017.

Officers and Directors	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Robin Eves, President, CEO, Director	7,763,623	8 %
Aiden Neary, COO/CFO	11,238,909	12 %
Thomas Shreve, Director	100,000	0 %
Edward Jennings, Director	82,793	0 %
Scott Younger, Director	372,858	0 %
All directors and officers as a group (5 persons)	19,558,183	20 %

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCEAccounts payable to related parties

Accruals for salary and bonuses to officers and directors are included in accrued liabilities in the balance sheet and totaled \$2,660,697 and \$3,037,376 as of December 31, 2016 and 2015, respectively.

Table of Contents

Debt and convertible debt owed to related parties

At December 31, 2016, debt owed to related parties totaled \$18,050.

During the year ended December 31, 2016, the company borrowed an aggregate of \$37,500 from Officers and Directors and repaid \$19,450 through 2016 at 0% interest and no equity involved. As of December 31, 2016 and December 31, 2015, the aggregate outstanding balance of note payable to Officers and Directors was \$18,050 and \$0, respectively.

Director Independence

Our Board is not subject to any independence requirements. However, our Board has reviewed the independence of its directors under the requirements set forth by the NASDAQ Stock Market. Messrs. Eves and Neary are officers of the Company and therefore not deemed independent directors. Dr. Jennings, Dr. Younger and Mr Shreve are deemed to be independent directors.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Fees billed to the Company by MaloneBailey, LLP

	2016	2015
(1) Audit Fees	\$81,500	\$86,000
(2) Tax Fees	\$-	\$-
(3) Other Fees	\$-	\$-

All audit and non-audit services and fees are approved by the Board of Directors.

Table of Contents

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed with this report.

1. Financial Statements:

See Index to Financial Statements on page 17.

2. Financial Statement Schedules:

Financial statement schedules are omitted because they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits:

The exhibits to this report are listed on the Exhibit Index below.

(b) Description of exhibits

- 3.1(1) Articles of Incorporation
- 3.2(2) Amended and Restated Bylaws
- 4.1(3) Specimen stock certificate
- 14(4) Code of Business Conduct and Ethics
- 31.1 Certification of Chief Executive Officer in accordance with 18 U.S.C. Section 1350
- 31.2 Certification of Chief Financial Officer in accordance with 18 U.S.C. Section 1350
- 32.1 Certification of Chief Executive Officer in accordance with 18 U.S.C. Section 1350
- 32.2 Certification of Chief Financial Officer in accordance with 18 U.S.C. Section 1350
- 101.INS XBRL Instance Document
- 101.SCHXBRL Taxonomy Extension Schema Document
- 101.CALXBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LABXBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

(1) Filed with Registrant's Form 10, January 14, 2009, Certificate of Amendment, June 27, 2012, filed with this Report.

(2) Filed with Registrant's Form 8-K, December 6, 2012.

(3) Filed with Registrant's Form 10, January 14, 2009.

(4) Filed with Registrant's Form 8-K, February 14, 2013.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/Robin Eves
Robin Eves
CEO, President,
Principal
Executive
Officer

Dated: April 17, 2017

Dated: April 17, 2017 /s/Aiden Neary
Aiden Neary
CFO, Principal
Financial
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 17th day of April 2017.

/s/Robin Eves /s/Scott Younger
Robin Eves, CEO, President and Director Scott Younger, Director

/s/Edward Jennings /s/Thomas Shreve
Edward Jennings, Director Thomas Shreve, Director

/s/Aiden Neary
Aiden Neary, COO, CFO and Director