

Clean Coal Technologies Inc.
Form 10-Q
August 13, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2013

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: 000-50053

CLEAN COAL TECHNOLOGIES, INC.
(Exact name of small business issuer as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

26-1079442
(I.R.S. Employer Identification No.)

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

10017
(Zip Code)

(646) 710-3549
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), Yes and (2) has been subject to such filing requirements for the past 90 days. No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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

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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

The number of shares outstanding of Registrant’s Common Stock as of August 9, 2013: 888,962,769

Table of Contents

TABLE OF CONTENTS

		Page
PART I - FINANCIAL INFORMATION		
ITEM 1.	<u>FINANCIAL STATEMENTS</u>	3
ITEM 2.	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	10
ITEM 3.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	14
ITEM 4.	<u>CONTROLS AND PROCEDURES</u>	14
PART II - OTHER INFORMATION		
ITEM 1.	<u>LEGAL PROCEEDINGS</u>	15
ITEM 1A.	<u>RISK FACTORS</u>	15
ITEM 2.	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	15
ITEM 3.	<u>DEFAULTS UPON SENIOR SECURITIES</u>	15
ITEM 5.	<u>OTHER INFORMATION</u>	15
ITEM 6.	<u>EXHIBITS</u>	15
	<u>SIGNATURES</u>	16

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission and, therefore, do not include all information and footnotes necessary for a complete presentation of our financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Clean Coal Technologies, Inc.
Balance Sheets
(Unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
Current Assets		
Cash	\$88	\$2,575,087
Prepaid expenses	1,382	62,079
Other current assets	450	450
Total Current Assets	1,920	2,637,616
Property, plant and equipment, net of accumulated depreciation of \$993 and \$891, respectively		
	26	128
Construction in progress	2,016,800	-
Total Assets	\$2,018,746	\$2,637,744
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current Liabilities		
Accounts payable	\$350,267	\$183,058
Accounts payable to related parties	592,450	579,950
Accrued liabilities	856,750	729,006
Short-term debt	90,000	90,000
Debt owed to related parties	129,405	-
Total Current Liabilities	2,018,872	1,582,014
Stockholders' Deficit:		
Common stock, \$0.00001 par value; 975,000,000 shares authorized, 875,702,769 and 851,067,644 shares issued and outstanding, respectively	8,758	8,512
Additional paid-in capital	211,806,358	209,966,240
Accumulated deficit	(211,815,242)	(208,919,022)
Total Stockholders' (Deficit) Equity	(126)	1,055,730
Total Liabilities and Stockholders' (Deficit) Equity	\$2,018,746	\$2,637,744

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

Table of Contents

Clean Coal Technologies, Inc.
 Statements of Operations
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Operating Expenses:				
General and administrative	\$ 326,814	\$ 323,451	\$ 715,650	\$ 1,104,437
Legal and consulting services	1,226,003	2,488,209	2,082,369	3,017,403
Loss from Operations	(1,552,817)	(2,811,660)	(2,798,019)	(4,121,840)
Other Income (Expenses):				
Interest expense	(68,076)	(1,856,866)	(98,201)	(2,230,208)
Gain on extinguishment of debt	-	130,639	-	130,639
Gain on change in fair value of derivative liabilities	-	468,215	-	218,487
Total Other Income (Expenses)	(68,076)	(1,258,012)	(98,201)	(1,881,082)
Net Loss	\$(1,620,893)	\$(4,069,672)	\$(2,896,220)	\$(6,002,922)
Net loss per share - basic and diluted	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.01)
Weighted average shares outstanding - basic and diluted	872,117,953	601,271,930	863,327,975	600,713,381

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

Table of Contents

Clean Coal Technologies, Inc.
Statement of Stockholders' Equity (Deficit)
Six Months Ended June 30, 2013
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Stockholders' Deficit
Balances at December 31, 2012	851,067,644	\$8,512	\$209,966,240	\$(208,919,022)	\$1,055,730
Common stock sold for cash	8,000,000	80	399,920	-	400,000
Common stock issued for services	13,400,000	134	708,416	-	708,550
Common stock issued with debt	3,235,125	32	66,249	-	66,281
Options expense	-	-	665,533	-	665,533
Net loss	-	-	-	(2,896,220)	(2,896,220)
Balances at June 30, 2013	875,702,769	\$8,758	\$211,806,358	\$(211,815,242)	\$(126)

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

Table of Contents

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

	Six Months Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(2,896,220)	\$(6,002,922)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation expense	102	102
Amortization of debt discounts	66,281	2,039,006
Amortization of deferred financing costs	-	102,857
Shares issued for services	708,550	1,668,471
Option Expense	665,533	-
Derivative liabilities recorded as compensation expense	-	566,275
Gain on extinguishment of debt	-	(130,639)
Gain on change in fair value of derivative liabilities	-	(218,487)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	60,697	(10,800)
Accounts payable	167,209	115,569
Accounts payable - related party	12,500	169,816
Accrued expenses	127,744	(59,205)
Net Cash Used in Operating Activities	(1,087,604)	(1,759,957)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for construction in progress	(2,016,800)	-
Net Cash Used in Investing Activities	(2,016,800)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	400,000	-
Borrowings on debt	-	708,000
Borrowings on convertible debt	-	2,252,641
Payments on debt	-	(655,303)
Payments on convertible debt	-	(25,000)
Payments on related party debt	129,405	(522,732)
Net Cash Provided by Financing Activities	529,405	1,757,606
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,574,999)	(2,351)
CASH AND CASH EQUIVALENTS - beginning of period	2,575,087	8,342
CASH AND CASH EQUIVALENTS - end of period	\$88	\$5,991
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$-	\$21,904
Cash paid for income taxes	-	-
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Derivative liabilities recorded in additional paid-in capital	\$-	\$156,032

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Derivative liabilities recorded as debt discounts	-	187,880
Common stock issued with debt	66,281	81,921
Deferred financing costs accrued	-	120,000
Accrued interest converted to debt	-	94,758
Common stock issued for debt, liabilities and accrued interest	-	667,399
Common stock issued for related party debt, liabilities and accrued interest	-	382,499
Common stock issued in resolution of derivative liabilities	-	691,700
Debt discounts due to beneficial conversion features	-	2,000,000

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

Table of Contents

Clean Coal Technologies, Inc.
Notes to Financial Statements
(Unaudited)

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Clean Coal Technologies, Inc. ("Clean Coal") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in Clean Coal's Annual Report on Form 10-K filed with the SEC. In the opinion of management, the accompanying unaudited interim financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position and the results of operations for the interim period presented herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year or for any future period. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2012 as reported in the Form 10K have been omitted.

NOTE 2: 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 the Clean Coal is unable to continue as a going concern. Clean Coal has an accumulated deficit and a working capital deficit as of June 30, 2013 with no significant revenues anticipated for the near term. Management believes Clean Coal will need to raise capital in order to operate over the next 12 months. As shown in the accompanying financial statements, Clean Coal has also incurred significant losses since inception. 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 3: CONSTRUCTION IN PROGRESS

Construction in progress of \$2,016,800 as of June 30, 2013 consists of the first payment made during February 2013 of \$2,000,000 and additional costs incurred through June 30, 2012 related to the construction of a 2-ton/hour pilot plant in Oklahoma. The total cost of the project, including testing to take place at a designated site in Oklahoma, is estimated at \$4,500,000. Commissioning of the pilot plant is expected during the third quarter of 2013.

NOTE 4: RELATED PARTY TRANSACTIONS

At June 30, 2013 and December 31, 2012, unpaid services provided by related parties totaled \$592,450 and \$579,950, respectively. The payables are unsecured, bear no interest and are due on demand.

During 2013, the company borrowed \$129,405 from a related party. The note is unsecured, bears no interest and is due on demand. The Company issued 3,235,125 in connection with the borrowing. The relative fair value of the shares of \$66,281 was recorded as a debt discount and fully amortized to interest expense during the six months ended

June 30, 2013.

NOTE 5: DEBT

As of June 30, 2013 and December 31, 2012, the Company has one outstanding note payable with a principal balance of \$90,000. The note is unsecured, bears interest at 8% per annum and originally matured on December 10, 2012. On January 1, 2013, the maturity date on this note was extended to December 1, 2013.

7

Table of Contents

NOTE 6: COMMITMENTS

On March 22, 2013, Clean Coal entered into a consulting agreement with a term of six months and a monthly cash fee of \$8,000. In connection with the agreement, Clean Coal issued the consultant 500,000 common shares which vested on the effective date of the agreement. In addition, Clean Coal granted the consultant an aggregate of 1,000,000 common stock options which have a term of 3 years and the following exercise prices and vesting terms: 400,000 options are exercisable at \$0.15 per share and vest on March 22, 2013, 300,000 options are exercisable at \$0.25 per share and vest on July 1, 2013 and 300,000 options are exercisable at \$0.35 per share and vest on July 1, 2013 (see Note 7).

On August 1, 2013, Clean Coal entered into a 6 month lease for its office space in New York City, at a rate of \$3,020 per month.

NOTE 7: EQUITY TRANSACTIONS

Common Stock

During the six months ended June 30, 2013, the Company issued an aggregate of 13,400,000 common shares for services valued at \$708,550, issued 3,235,125 common shares with related party debt with a relative fair value of \$66,281 and sold 8,000,000 common shares for cash proceeds of \$400,000.

Options

Total stock option expense was \$665,533 for the six months ended June 30, 2013. As of June 30, 2013, there was an aggregate of \$476,332 that will be expensed over the remaining vesting period of the outstanding options through July 1, 2014.

On March 22, 2013, Clean Coal granted a consultant an aggregate of 1,000,000 common stock options which have a term of 3 years and the following exercise prices and vesting terms: 400,000 options are exercisable at \$0.15 per share and vest on March 22, 2013, 300,000 options are exercisable at \$0.25 per share and vest on July 1, 2013 and 300,000 options are exercisable at \$0.35 per share and vest on July 1, 2013. The fair value of these options was determined to be \$31,307 using the Black-Scholes Option Pricing Model. The significant assumptions used in the model include (1) discount rate of 0.39%, (2) expected term of 3 years (3) expected volatility of 126.53% and (4) zero expected dividends. \$31,137 was expensed during the six months ended June 30, 2013 and \$170 will be expensed over the remaining vesting periods.

On May 9, 2013, the Company awarded two engineering consultants 1,000,000 common stock options each which have a term of 5 years, are exercisable at \$0.05 per share and vest on December 31, 2013. The aggregate fair value of these options was determined to be \$68,433 using the Black-Scholes Option Pricing Model. The significant assumptions used in the model include (1) discount rate of 0.75%, (2) expected term of 3.15 years (3) expected volatility of 125.16% and (4) zero expected dividends. \$15,078 was expensed during the six months ended June 30, 2013 and \$53,355 will be expensed over the remaining vesting periods.

A summary of stock option activity for the six months ended June 30, 2013 is as follows:

	Options	Weighted Average Exercise Price
Outstanding - December 31, 2012	46,000,000	\$ 0.22

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Granted	3,000,000	0.11
Forfeited/canceled	-	-
Exercised	-	-
Outstanding – June 30, 2013	49,000,000	\$ 0.22
Exercisable – June 30, 2013	26,400,000	\$ 0.13

The weighted average remaining life of the outstanding options as of June 30, 2013 was 5.83 years, the weighted average grant date fair value of the options granted during the six months ended June 30, 2013 was \$0.033 and the intrinsic value of the exercisable options as of June 30, 2013 was \$200,000.

Table of Contents

NOTE 8: SUBSEQUENT EVENTS

In July 2013, the Company issued 10,000 shares to a consultant for services rendered and 250,000 shares to another consultant in lieu of a monthly cash fee due under a consulting agreement (see Note 6).

In July 2013, the Company issued 1,000,000 shares to the Chief Executive Officer of the Company in connection with borrowings under a related party loan of \$40,000.

In July 2013, the Company sold 12,000,000 shares of common stock at \$0.0208 per share for total cash proceeds of \$250,000.

In August 2013, the Company's board of directors terminated the 2012 Stock Option Plan, returning the balance of 16,000,000 reserved shares underlying ungranted options to authorized capital.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Quarterly Report on Form 10-Q contains forward-looking statements 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 Quarterly Report on Form 10-Q 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 and/or more efficient energy at low cost 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-gas and coal-to-liquid technologies.

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

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.

Current or Pending Projects. We have dedicated maximum effort to develop a global commercial platform around a series of strategic partnerships. We have signed a 25-year Technology License Agreement (“TLA”) with Jindal Steel and Power, Ltd. (“Jindal”). Under the TLA, the Company will receive an on-going royalty fee of one dollar (\$1.00) per metric ton on all coal processed from Jindal majority-owned mines in the ASEAN region, up to four million tons or four million dollars (\$4,000,000) per annum with a waiver of additional royalty fees on further processed coal up to a total of eight million tons per year. If coal processing increases above eight million tons per year, the royalty will be reinstated and the parties have agreed to review the rate.

Jindal will also pay the Company a one-time license fee of seven-hundred and fifty thousand dollars (\$750,000). The first installment of the license fee, three-hundred and seventy-five thousand dollars (\$375,000), has been paid pursuant to the signing of the pilot plant construction contract. The balance of three-hundred and seventy-five thousand dollars (\$375,000) will be due upon the successful testing of the pilot plant which is expected to be completed during the third quarter of fiscal 2013.

For our ASEAN region joint venture initiative, we entered into a joint venture with the Archean Group (“AGPL”) to develop, deploy and market our Pristine M technology throughout the ASEAN region (including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar). On December 18, 2012, we sent a notice of termination, effective immediately, to AGPL. On April 20, 2013, we signed a settlement agreement with AGPL (“Settlement Agreement”). The Settlement Agreement includes provisions for mutual release of all claims related to the agreements, dissolution of the Joint Venture Agreement in Respect of Good Coal, Pte. Ltd (“Good Coal”), effective June 5, 2012, between the Company and AGPL (the “JV Agreement”) and the Technology License Agreement, effective May 31, 2012, between the Company and Good Coal (the “TLA”).

Table of Contents

On February 5, 2013, we signed a construction and testing contract (“EPC Agreement”) with SAIC Constructors, LLC (“SAIC”). We also remitted the first payment of \$2 million to SAIC for the construction of the 2-ton/hour, pilot plant in Oklahoma, as per the terms of the new contract. Total cost of the project, including testing to take place at a designated site in Oklahoma, is estimated at \$3.6 million. Commissioning of the pilot plant is expected during the third quarter of 2013. As sole counterparty to the EPC contract, we will own the completed pilot plant outright. We entered into the EPC Agreement to ensure that there is little or no disruption in the pilot plant construction schedule.

As of June 30, 2013 all design and engineering work had been completed on the Pilot Plant, all parts have been ordered and a schedule to commence the fabrication at the end of July 2013 is on target. Simultaneously with the fabrication of the Pilot Plant, CCTI has paid Carrier Vibrating Equipment Inc. \$17,800 to design and engineer a batch processing plant which will greatly enhance the capabilities and accuracy of the Pilot Plant. The batch process unit and the Pilot Plant will be housed at the same location.

In March 2013, we negotiated an early closing of part of the second tranche of investment with Ventrillion Management Group (“Ventrillion”). Under the amended agreement, Ventrillion purchased 8,000,000 million shares for \$400,000.

Other projects

Pending resolution of legalities surrounding the change in ownership of the interests of the Chinese partner in the Inner Mongolia joint venture company, we are seeking to transition the Company’s involvement from full joint venture partner to merely a licensor. Although the proposed project has all permits fully approved, there has been no recent activity to move the project forward.

In our continued effort to expand global awareness for our technology and to build a potential pipeline of business for when the pilot plant is successfully commissioned, we have signed an NDA with a company in Australia that has significant coal assets in Southern Australia. We have also signed NDA’s with two major Russian coal companies, one with a company in Serbia and another with a major Indian conglomerate. In each case we are in the early stages of exchanging information and determining how best our technology might be deployed.

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 patent protections, audit, disclosure, and reporting services.

Results of Operations

The following information should be read in conjunction with the financial statements and notes appearing elsewhere in this Report. We have generated limited revenues from inception to date. We anticipate that we may not receive any significant revenues from operations until we begin to receive royalty revenues which we estimate will be approximately 12 to 14 months after the successful testing of the plant anticipated in the third quarter of fiscal 2013 and an EPC contract has been signed to build a commercial scale facility. 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 Three and Six Months Ended June 30, 2013 and June 30, 2012

Revenues

We have generated no revenues for the six months ended June 30, 2013 and the same period in 2012. In the third quarter of fiscal 2012, we received an initial license fee of \$375,000 from Jindal paid pursuant to the signing of our pilot plant construction contract. The balance of \$375,000 will be due upon the successful testing of the pilot plant, anticipated in the third quarter of fiscal 2013. We do not anticipate additional license revenues until the pilot plant has been successfully tested, and do not expect to receive any royalty fees for approximately 12 to 14 months after an EPC contract has been signed to build a commercial scale facility.

Table of Contents

Operating Expenses

Our operating expenses for the three and six months ended June 30, 2013 totaled \$1,552,817 and \$2,798,019, respectively compared to \$2,811,660 and \$4,121,840 respectively for the same periods in the prior year. The primary component of the operating expenses in both periods was for shares issued for services, officers' salaries and consulting fees. The decrease in operating expenses for the 2013 fiscal period is due mainly to less stock-based compensation in 2013.

We recorded stock-based compensation of \$1,374,083 for the six months ended June 30, 2013, compared to \$2,234,746 for the same period in the prior year.

During three and six months ended June 30, 2013, operating expenses consisted of \$326,814 and \$715,650, respectively in general and administrative expenses and \$1,226,003 and \$2,082,369, respectively of legal and consulting fees. In the same periods in 2012, operating expenses consisted of \$323,451 and \$1,104,437, respectively in general and administrative expenses and \$2,488,209 and \$3,017,403, respectively of legal and consulting fees.

In March 2013, we entered into a consulting agreement with ProActive Resources Advisory Group, LLC, a strategic advisory, investor relations and public relations firm. The agreement is for a term of six months and a monthly cash fee of \$8,000. In connection with the agreement, we issued ProActive 500,000 restricted shares of our common stock and granted an aggregate of 1,000,000 common stock options which have a term of 3 years and the following exercise prices and vesting terms: 400,000 options are exercisable at \$0.15 per share and vested on March 22, 2013, 300,000 options are exercisable at \$0.25 per share and vested on July 1, 2013 and 300,000 options are exercisable at \$0.35 per share and vested on July 1, 2013.

In April 2013, we entered into an agreement with a consultant for media and investor relations services. The term of the agreement is for 6 months. The Company paid the consultant \$125,000 in cash and issued to the consultant 7,500,000 shares of our common stock.

In May 2013, we awarded two engineering consultants one million shares each of the Company's common stock for extraordinary work on the pilot plant design. The consultants also each received options for the purchase of one million shares at an exercise price of \$.05 per share, vesting December 31, 2013 and exercisable until December 31, 2018.

Employees

As of June 30, 2013, we had two full-time executives, and one full-time administrative employee. President and CEO Robin Eves, and Chief Operations Officer, Ignacio Ponce de Leon have written employment agreements. Our administrative employee is at-will. Messrs. Eves and Ponce de Leon received no compensation for their participation on the Board of Directors. We have an oral consulting agreement with C.J. Douglas, a shareholder who provides services that support our administrative and accounting functions on a month-to-month basis, at \$20,000 per month.

Net Income/Loss

For the three and six months ended June 30, 2013, we experienced net losses of \$1,620,893 and \$2,896,220, respectively, and \$4,069,672 and \$6,002,922, respectively, for the same periods for the prior year. For the three and six months ended June 30, 2013, we incurred losses from operations of \$1,552,817 and \$2,798,019, respectively, and \$2,811,660 and \$4,121,840, respectively, for the three and six months ended June 30, 2012. We incurred interest expense of \$68,076 and \$98,201 for the three and six months ended June 30, 2013, and \$1,856,866 and \$2,230,208 for the three and six months ended June 30, 2012.

We anticipate losses from operations will increase during the next twelve months due to costs associated with the pilot plant completion and testing, as well as 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 once the pilot plant testing is complete.

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 subsequently converted to common stock and the receipt of \$375,000 in license fees from Jindal as described above.

Table of Contents

Net Cash Used in Operating Activities. Our primary source of operating cash during the six months ended June 30, 2013, was proceeds from the sale of shares to Ventrillion Management Group, LLC in December 2012 plus an additional sale of shares to Ventrillion in March 2013. Our primary uses of funds in operations were the payment of professional and consulting fees and general operating expenses.

Net cash used in operating activities, was \$1,087,604 for the six months ended June 30, 2013 compared to net cash used of \$1,759,957 for the same period in 2012. Non-cash items in 2013 included shares issued for services valued at \$708,550, options expense of \$665,533 amortization of debt discounts of \$66,281 and depreciation expense of \$102. Non-cash items in 2012 included shares issued for services valued at \$1,668,471, amortization of debt discounts of \$2,039,006, amortization of deferred financing costs of \$102,857, derivative liabilities recorded as compensation expense of \$566,275 a gain on the change in the fair value of derivative liabilities of \$218,487, a gain on the extinguishment of debt of \$130,639 and depreciation expense of \$102. During the six months ended June 30, 2013, we experienced a decrease in prepaid expenses of \$60,697, an increase in accounts payable of \$167,209, an increase in related party payables of \$12,500 and an increase in accrued liabilities of \$127,744.

Net Cash Used In Investing Activities. Net cash used in investing activities for the six months ended June 30, 2013 consisted of \$2,016,800 paid for the construction of the pilot plant. We did not engage in investing activities for the six months ended June 30, 2012.

Net Cash Provided by Financing Activities. Net cash provided by financing activities during the six months ended June 30, 2013 totaled \$529,405 consisting of \$400,000 in cash received for the sale of common stock and \$129,405 from borrowings on related party debt. Net cash provided by financing activities during the six months ended June 30, 2012 totaled \$1,757,606 consisting of borrowings on debt and convertible debt of \$2,960,641, offset by payments on debt and convertible debt of \$680,303 and payments on related party debt of \$522,732.

Cash Position and Outstanding Indebtedness

Our total indebtedness at June 30, 2013 was \$2,018,872, which consists entirely of current liabilities. Current liabilities consist primarily of accounts payable, accounts payable to related parties, short-term debt and accrued liabilities. At June 30, 2013, we had current assets of \$88 in cash and \$1,832 in prepaid expenses and other current assets. Our working capital deficit at June 30, 2013 was \$2,016,952. We had property, plant and equipment (net of accumulated depreciation) of \$26 and construction in progress of \$2,016,800 at June 30, 2013.

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at June 30, 2013.

	Total	Payments due by period			
		Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Facility lease (1)	\$ 21,415	\$ 21,415	\$ -	\$ -	\$ -
Total contractual cash obligations	\$ 21,415	\$ 21,415	\$ -	\$ -	\$ -

(1) Our New York lease is for six months through January 2014, at a monthly rate of \$3,090 per month.

SAIC Energy Environment & Infrastructure (SEE&I), our engineering consultant has tentatively estimated construction costs for each one million short ton coal complete cleaning facility of approximately \$120 million (excluding land costs) or costs for a similar size Pristine-M-only facility of approximately \$45-50 million (excluding

land costs). Under the terms of our consulting agreement with SEE&I, we are obligated to pay to SEE&I a fee representing five percent of all gross revenues received by us from the sale of our technology, the operation of franchised plants utilizing the technology, or revenue received on any other basis that is related to the technology. This fee will remain in effect for a period of 15 years, commencing from the date that we receive our initial revenue stream from operations. All intellectual property rights associated with new art developed by SEE&I remain our property, however SEE&I would have a “right to use” the intellectual property provided it is deployed in non-competitive projects.

Construction of the pilot plant in Oklahoma is underway with completion and testing anticipated to be completed in the third quarter of fiscal 2013. We have paid \$2,016,800 towards the plant and estimate completion will require an additional \$2,250,000.

Table of Contents

Based on our current operational costs and including the capital requirements for our project deployments, we estimate we will need a total of approximately \$3,500,000 to fund the Company for the balance of fiscal year 2013 and an additional \$5,000,000 to continue for the following fiscal year (2014) or until an initial commercial plant is up and running. At this filing date, we have a commitment from Ventrillion for \$10,600,000 in additional funding contingent on implementation of a reverse split of our common stock as approved by our shareholders in May 2013, and completion and successful testing of the pilot plant. Assuming we succeed in testing, we believe we will have sufficient funding to meet both the additional costs of the pilot plant construction and funding for our operations through fiscal 2014, although we may need some interim funding until the pilot plant is operational. 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.

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 3. 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 4. CONTROLS AND PROCEDURES

As of June 30, 2013, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (the same person), 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, management 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. We presently have only one officer and one employee. Inasmuch as there is no segregation of duties within the Company, there is no management oversight, no control documentation being produced, and no one to review control documentation if it was being produced.

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.

Table of Contents

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Clean Coal Technologies, Inc. was served with a Statement on or about January 23, 2013 in an international arbitration proceeding titled Beijing Deheng Law Firm v. Clean Coal Technologies, Inc., #x20230033, filed with the China International Economic and Trade Arbitration Commission (“CIETAC”). The Beijing Deheng Law Firm (“Deheng”) has filed a claim against the Company for alleged breach of a Settlement Agreement to pay legal fees and costs in the alleged amount of approximately \$115,908 plus fees and costs. The Company intends to contest the claim due to misrepresentations concerning the lack of qualifications of the purported attorney rendering the services as well as apparent conflicts of interest among parties related to Deheng that are currently under investigation by the Company.

ITEM 1A. RISK FACTORS

For information regarding risk factors, see “Part I. Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In July 2013, we issued 10,000 shares to a consultant for services rendered and 250,000 shares to another consultant in lieu of a monthly cash fee due under a consulting agreement. Also in July 2013, we issued 1,000,000 shares to Robin Eves, our Chief Executive Officer, as interest on a loan of \$40,000.

In July 2013, we sold 12,000,000 shares of common stock at \$0.0208 per share for total cash proceeds of \$250,000.

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 thereunder. The issuances were for services, interest on a loan and investment, respectively. The transactions were privately negotiated and did not involve any kind of public solicitation.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

ITEM 6. EXHIBITS

EXHIBIT DESCRIPTION
NO.

31 CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.
32 CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

101.INS XBRL Instance Document

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101.SCH XBRL Taxonomy Extension Schema Document
101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL Taxonomy Extension Definition Linkbase Document
101.LAB XBRL Taxonomy Extension Label Linkbase Document
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

15

Table of Contents

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Clean Coal Technologies

Date: August 13, 2013

By:

/s/ Robin Eves
Robin Eves
President, CEO, and Acting Chief Financial
Officer

