Clean Coal Technologies Inc.
Form 10-Q
November 14, 2012

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

FORM 10-Q

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

For the quarterly period ended: September 30, 2012

o 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	26-1079442
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
295 Madison Avenue (12th Floor), New York, NY	10017
(Address of principal executive offices)	(Zip Code)

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

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 ý and (2) has been subject to such filing requirements for the past 90 days. No ý

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 x No ¨

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 ý

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ý

The number of shares outstanding of Registrant’s Common Stock as of November 9, 2012: 751,067,644

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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)

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash	$46,387	$8,342
Prepaid expenses	30,565	16,405
Other current assets	450	-
Total Current Assets	77,402	24,747
Property, plant and equipment, net of accumulated depreciation of $840 and $688, respectively	179	331
Total Assets	$77,581	$25,078
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$482,326	$427,850
Accounts payable to related parties	865,903	613,961
Accrued liabilities	609,076	703,172
Short-term convertible debt	-	50,000
Short-term debt, net of unamortized discounts of $0 and $54,919, respectively	405,000	367,384
Convertible debt owed to related parties	-	380,000
Debt owed to related parties	15,000	522,732
Total Current Liabilities	2,377,305	3,065,099
Stockholders' Deficit:		
Common stock, $0.00001 par value; 975,000,000 shares authorized, 751,067,644 and 593,784,000 shares issued and outstanding, respectively	7,512	5,938
Additional paid-in capital	205,665,559	196,554,117
Accumulated deficit	(207,972,795)	(199,600,076)
Total Stockholders' Deficit	(2,299,724)	(3,040,021)
Total Liabilities and Stockholders' Deficit	$77,581	$25,078

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

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

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
License fee revenue	$375,000	$-	$375,000	$-
Gross profit	375,000	-	375,000	-
Operating Expenses:				
General and administrative	273,599	328,644	1,378,036	786,855
Consulting services	2,129,625	500,824	5,147,028	1,717,237
Loss from Operations	(2,028,224)	(829,468)	(6,150,064)	(2,504,092)
Other Income (Expenses):				
Interest expense	(341,573)	(17,643)	(2,571,781)	(52,114)
Gain (loss) on extinguishment of debt	-	-	130,639	-
Gain on change in fair value of derivative liabilities	-	-	218,487	-
Total Other Income (Expense)	(341,573)	(17,643)	(2,222,655)	(52,114)
Net Loss	$(2,369,797)	$(847,111)	$(8,372,719)	$(2,556,206)
Net loss per share - basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average shares outstanding - basic and diluted	715,667,634	577,056,549	639,310,575	557,244,217

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

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Clean Coal Technologies, Inc.
Statement of Stockholders' Deficit
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Stockholders' Deficit
Balances at December 31, 2011	593,784,000	$5,938	$196,554,117	$(199,600,076)	$(3,040,021)
Common stock issued for services	55,850,332	559	2,747,912	-	2,748,471
Common stock issued with debt	3,160,000	32	81,889	-	81,921
Common stock issued for debt, interest and accrued liabilities	84,479,312	845	3,001,344	-	3,002,189
Common stock issued for resolution of derivative liabilities	13,794,000	138	691,562	-	691,700
Derivative liabilities	-	-	(156,032)	-	(156,032)
Debt discount due to beneficial conversion feature	-	-	2,000,000	-	2,000,000
Options expense	-	-	744,767	-	744,767
Net loss	-	-	-	(8,372,719)	(8,372,719)
Balances at September 30, 2012	751,067,644	$7,512	$205,665,559	$(207,972,795)	$(2,299,724)

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

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

	Nine Months Ended September 30, 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(8,372,719)	$(2,556,206)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation expense	152	153
Amortization of debt discounts	2,324,720	-
Amortization of deferred financing costs	120,000	-
Shares issued for services	2,748,471	1,248,367
Derivative liabilities recorded as compensation expense	566,275	-
Warrant and option expense	744,767	-
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	(14,610)	(51,275)
Accounts payable	144,476	93,198
Accounts payable - related party	266,942	673,788
Accrued expenses	46,091	56,468
Net Cash Used in Operating Activities	(1,774,561)	(535,507)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances from related parties	-	213,586
Borrowings on debt	808,000	152,300
Borrowings on convertible debt	2,252,641	-
Payments on debt	(700,303)	-
Payments on convertible debt	(25,000)	-
Borrowings on related party debt	-	173,000
Payments on related party debt	(522,732)	-
Net Cash Provided by Financing Activities	1,812,606	538,886
NET CHANGE IN CASH AND CASH EQUIVALENTS	38,045	3,379
CASH AND CASH EQUIVALENTS - beginning of period	8,342	5,446
CASH AND CASH EQUIVALENTS - end of period	$46,387	$8,825
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$36,808	$2,862
Cash paid for income taxes	-	-
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Derivative liabilities recorded in additional paid-in capital	$156,032	$-
Derivative liabilities recorded as debt discounts	187,880	-
Common stock issued with debt	81,921	-
Deferred financing costs accrued	120,000	-

Accrued interest converted to debt	104,758	-
Payables converted to debt	90,000	-
Related party payables and advances converted to debt	15,000	380,000
Common stock issued for debt, liabilities and accrued interest	2,722,428	31,530
Common stock issued for related party debt, liabilities and accrued interest	410,400	1,187,945
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.

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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 for the year ended December 31, 2011 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 2011 as reported in the Form 10K have been omitted.

REVENUE RECOGNITION

The Company’s revenue relates 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 $375,000 has been collected pursuant to the signing of a pilot plant construction contract and the balance of $375,000 will be due upon the successful testing of the pilot plant. 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.

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 September 30, 2012 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: RELATED PARTY TRANSACTIONS

Debt from related parties

A summary of the debt from related parties outstanding as of September 30, 2012 and December 31, 2011 is as follows:

DATE OF NOTE	TO WHOM	MATURITY DATE	INTEREST RATE	September 30, 2012	December 31, 2011
June 30, 2008	Equimune Research Corp	June 30, 2010	10%	$ -	$ 252,641
September 30, 2009	Enviro Fuels MfgInc	Demand	0%	-	98,091
September 30, 2009	Enviro Fuels MfgInc	Demand	0%	-	500
October 31, 2009	Enviro Fuels MfgInc	Demand	0%	-	3,000
November 30, 2009	Enviro Fuels MfgInc	Demand	0%	-	500
March 8, 2010	Enviro Fuels MfgInc	September 8, 2010	10%	-	25,000
July 1, 2011	Out of The Chute LLC	June 30, 2012	8%	-	380,000
July 22, 2011	Robin Eves	October 31, 2011	12.5%	-	143,000
September 14, 2012	Out of The Chute LLC	December 10, 2012	10%	15,000	-
				$ 15,000	$ 902,732

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All of the related party notes listed above are unsecured. The Company made an aggregate of $522,732 in cash repayments on the related party notes and converted a related part payable to debt of $15,000 during the nine months ended September 30, 2012. The $380,000 note became convertible into common stock at $0.018 on January 1, 2012. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that none existed. The note holder agreed to extend the maturity date of the note for an additional six months or until shareholder approval of an increase to the authorized stock of the Company, whichever occurs first. The note of $380,000 and the related accrued interest of $2,499 were converted into 21,249,923 shares of common stock on June 28, 2012 andthe remaining accrued interest on this note of $27,901 was converted to 1,550,077 common shares on August 23, 2012.

Accounts payable from related parties

At September 30, 2012 and December 31, 2011, unpaid services provided by related parties totaled $865,903 and $613,961, respectively.

NOTE 4: SHORT-TERM DEBT

As of September 30, 2012 and December 31, 2011, the aggregate unpaid principal of outstanding notes payable (including convertible debt) was $405,000 and $417,384, respectively. The notes are unsecured, bear interest between 0% and 20% per annum and mature between on demand and December 31, 2012. During the nine months ended September 30, 2012, the Company made cash payments totaling $725,303 on their outstanding notes payable.

$50,000 of the outstanding notes at December 31, 2011 became convertible into common stock in August 2012 at $0.013 and $0.014 per share. Clean Coal evaluated the notes for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that none existed. These notes and their accrued interest of $5,027 were converted into an aggregate of 3,717,835 common shares during September 2012.

During the nine months ended September 30, 2012, Clean Coal borrowed an aggregate of $458,000 under multiple notes. The notes are unsecured, bear interest at 10%, beginning between March 1, 2012 and April 1, 2012, and matured March 31, 2012. In connection with the notes, Clean Coal agreed to issue the lenders an aggregate of 7,160,000 common shares. 3,160,000 shares were issued. The other 4,000,000 common shares were in excess of Clean Coal’s authorized stock and were accounted for as a derivative liability (see Note 5). The relative fair value of the 3,160,000 shares was determined to be $81,921 and was recorded as loan discounts. The fair value of the 4,000,000 common shares was determined to be $205,160 of which $187,880 was recorded as loan discounts and $17,280 was expensed as a loss on derivative liabilities. The discounts are being amortized over the life of the loans using the effective interest rate method and were fully amortized during the nine months ended September 30, 2012. During June 2012, $200,000 of these notes was extinguished through the issuance of 4,000,000 common shares. The fair value of the shares was determined to be $227,600 resulting in a loss on extinguishment of $27,600.

On March 20, 2012, the Company borrowed $2,000,000 under a promissory note. The note is unsecured, bears no interest and matures July 17, 2012. The note becomes convertible into 6.7% of the fully diluted outstanding common stock of the Company upon shareholder approval of an increase to the authorized stock of the Company. Clean Coal incurred financing costs of $120,000 associated with this note which is being amortized over the life of the note. During the nine months ended September 30, 2012, amortization expense of $120,000 was recorded on these deferred financing costs. During June 2012, the Company increased the authorized stock of the company whereby the note became convertible. The 6.7% of the fully diluted outstanding common stock on the date of the increase was determined to be 48,528,082 shares. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 as of the date of the note and determined that a beneficial conversion feature existed. The intrinsic value of the beneficial conversion feature was determined to be $2,000,000, and was recognized as a discount to the debt that is being amortized using the effective interest method over the life of the note. During the nine months ended September 30, 2012, amortization of $2,000,000 was recorded against this discount. In August 2012, the note was converted into 48,528,082 common shares.

On March 30, 2012, the Company borrowed $347,399 under a promissory note. $94,758 of the borrowing consisted of accrued interest that was converted to loan principal. The note is unsecured, bears interest at 10% per annum beginning June 30, 2012 and matures December 31, 2012. The note becomes convertible into common stock on September 30, 2012 at $0.08 per share if the note is not repaid prior to maturity. Clean Coal evaluated the note for a beneficial conversion feature under ASC 470-20 on the date of the note and determined that a beneficial conversion feature exists. The intrinsic value of the beneficial conversion feature was determined to be $21,712 and it will be recognized upon the note becoming convertible. During June 2012, this note was extinguished through the issuance of 4,342,485 shares of common stock. The fair value of the stock on extinguishment date was determined to be $247,087 resulting in a gain on extinguishment of $100,312.

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During April 2012, Clean Coal borrowed an aggregate of $250,000 under two promissory notes. The notes are unsecured, originally matured in May 2012 and bear interest at 10%. During July 2012, these notes were modified whereby the maturity date was extended to December 31, 2012 and $10,000 of accrued interest was converted to principal.

On July 1, 2012, the Company borrowed $100,000 under a promissory note. The note is unsecured, bears interest at 20% per annum and matures November 26, 2012.

On September 14, 2012, the Company issued a note to convert accounts payable of $90,000 to debt. The note is unsecured, bears interest at 10% per annum and matures December 10, 2012.

NOTE 5: DERIVATIVE LIABILITIES

During the nine months ended September 30, 2012, the Company committed to issue more common shares than its authorized amount through the issuance of common stock with debt, stock for services and through the vesting of a stock option bonus to the Company's Chief Executive Officer. If the shares had been issued, the Company would have exceeded its authorized common stock on January31, 2012. Therefore, all issuances after this date were accounted for as derivative liabilities through June 26, 2012 when the authorized common stock was increased to 975,000,000. The shares in excess of the authorized common stock were determined in chronological order based upon the date the obligation to issue the shares took place.

On January 31, 2012, the 4,000,000 common shares vested under a stock bonus granted to the Company's Chief Executive Officer.1,056,000 of these shares were reported as issued and the remaining 2,944,000 were accounted for as a derivative liability as they were in excess of the authorized shares. The fair value of these 2,944,000 common shares was determined to be $156,032 as of January 31, 2012 and $147,200 as of June 26, 2012 using the closing price of Clean Coal's common stock.

Between February 1, 2012 and June 26, 2012, the Company reported as issued an aggregate of 4,000,000 common shares with debt in excess of the authorized shares. The fair value of the 4,000,000 common shares was determined to be $205,160 on the date of the loans using the closing price of Clean Coal's common stock of which $187,880 was recorded as loan discounts and $17,280 was expensed as a loss on derivative liabilities. On June 26, 2012, the fair value of the 4,000,000 common shares was determined to be $202,000 using the closing price of Clean Coal's common stock.

Between February 1, 2012 and June 26, 2012, the Company reported as issued an aggregate of 6,850,000 common shares for services provided to the company. The fair value of the 6,850,000 common shares was determined to be $566,275 grant dates and was expensed as compensation expense. On June 26, 2012 the fair value of the 6,850,000 common shares was determined to be $342,500using the closing price of Clean Coal's common stock.

On June 26, 2012, the company increased the authorized common shares to 975,000,000 shares. As a result of the increase, the Company issued these 13,794,000 common shares. On June 26, 2012, the aggregate fair value of the derivative liabilities was determined to be $691,700 and was recorded against additional paid-in capital. There are no derivative liabilities outstanding as of September 30, 2012 because the Company has sufficient authorized common shares to cover its outstanding issuances and convertible instruments.

NOTE 6: EQUITY TRANSACTIONS

Common Stock

During the nine months ended September 30, 2012, the Company issued 55,850,332 common shares for services valued at $2,748,471, 3,160,000 common shares with debt valued at $81,921, 84,479,312 common shares for debt, interest, and accrued liabilities valued at $3,002,189 which resulted in a net gain on extinguishment of $130,639 during the nine months ended September 30, 2012, and issued 13,794,000 common shares valued at $691,700 for the resolution of derivative liabilities. See Note 5 regarding the shares issued for the resolution of the derivative liabilities.

Common Stock Options

On June 26, 2012, upon the increase to the Company's authorized common stock, the Company granted 10,000,000 common stock options to its Chief Executive Officer. The options are exercisable at $0.03per share, vest on August 1, 2012 and expire on August 1, 2020. The fair value of these options was determined to be $466,549 using the Black-Scholes Option Pricing Model. The significant assumptions used in the model include(1) discount rate of 0.31%, (2) expected term of 4.0 years (3) expected volatility of 170.81% and (4) zero expected dividends. The entire $466,549 was expensed during the nine months ended September 30, 2012.

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On July 1, 2012, the Company entered into three year employment agreements with its Chief Executive Officer and its Chief Operating Officer. Each officer was granted 8,000,000 common shares and 16,000,000 common stock options. 8,000,000 of each officer's options are exercisable at $0.20 per share, vest on June 30, 2013 and expire June 30, 2018. The remaining 8,000,000 of each officer's options are exercisable at $0.35 per share, vest on June 30, 2014 and expire June 30, 2019. The fair value of these options was determined to be $1,496,478 using the Black-Scholes Option Pricing Model. The significant assumptions used in the model include(1) discount rate of 0.72%, (2) expected terms between 3.5 and 4.5 years (3) expected volatilities between 173.70% and 174.52% and (4) zero expected dividends. $278,218 was expensed during the nine months ended September 30, 2012 and $1,218,260 will be expensed over the remaining vesting period.

The following table presents the activity for common stock options during the nine months ended September 30, 2012:

	Options	Weighted Average Exercise Price
Outstanding - December 31, 2011	-	$ -
Granted	42,000,000	0.22
Forfeited/canceled	-	-
Exercised	-	-
Outstanding - September 30, 2012	42,000,000	$ 0.22
Exercisable – September 30, 2012	10,000,000	$ 0.03

The weighted average remaining life of the outstanding options as of September 30, 2012 was 6.63 years, the weighted average grant date fair value of the options granted during the nine months ended September 30, 2012 was $0.047 and the intrinsic value of the exercisable options as of September 30, 2012 was $140,000.

NOTE 7: COMMITMENTS AND CONTINGENCIES

On June 26, 2012, upon the increase to the Company's authorized common stock, the Company granted Archean Group, in conjunction with a March 2012 joint venture agreement, the right to acquire up to 20% of the outstanding common stock of the Company at a discount to the market price on the date of exercise. Archean had the right to acquire the common stock at a 20% discount to the market price between June 26, 2012 and June 30, 2012. Archean did not exercise this right. Contingent upon the successful commissioning of a pilot plant, Archean also has the right to acquire 20% of the outstanding common stock of the Company at a 15% discount to the market price if the commissioning of the pilot plant occurs prior to March 2013. The Company does not expect the commission of the pilot plant to take place prior to March 2013.

In August 2012, the Company signed a consulting agreement with NRG Worldwide for a one year term calling for the payment of $350,000 plus the award of a total of 10,000,000 shares of the Company's common stock, payable monthly over twelve months beginning October 22, 2012. The agreement is contingent upon the Company receiving necessary funding by October 22, 2012. As of October 22, 2012, the Company did not receive the necessary funding. This agreement was amended on October 22, 2012 whereby the service term was extended to October 31, 2013 and the services and payments will not begin until the Company achieves the required funding.

NOTE 8: SUBSEQUENT EVENTS

On October 1, 2012, the Company amended its retainer agreement with its in-house counsel whereby the term was extended from 2 years to 4 years. In addition, the attorney was granted an aggregate of 4,000,000 common stock options. 2,000,000 of the options are exercisable at $0.20 per share, vest on July 1, 2013 and expire October 1, 2019. The remaining 2,000,000 options are exercisable at $0.35 per share, vest on July 1, 2014, and expire October 1, 2019.

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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,” “esti “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 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 trademarked 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. The attractiveness of the Pristine-M technology has culminated in our success attracting strategic partnerships, including with the Archean Group and Jindal Steel & Power, discussed below.

Current or Pending Projects.

We have dedicated maximum effort to develop a global commercial platform around a series of strategic partnerships.

For our ASEAN region joint venture initiative, we have 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). The joint venture company, Good Coal PTE (“JV” or “Good Coal”) is owned 55% by AGPL and 45% by Clean Coal.

For its 55% holding, AGPL has committed to contribute US $4,400,000 to the JV. Of this, US $2,400,000 will be used to fund the construction of a 1:10-scale pilot plant in Oklahoma. The pilot plant project commenced immediately upon execution of an EPC contract and the receipt of the first scheduled payment of $200,000 received by SAIC Energy Environment& Infrastructure (“SAIC”) by the JV.

The remaining US $2,000,000 represents a one-time license fee to be paid to Clean Coal upon successful commissioning of the pilot plant. For our 45% interest in the joint venture, we will contribute a 25-year exclusive license to develop, market and deploy Pristine M Technology, covering the ASEAN countries including Indonesia, the Philippines, Cambodia, Vietnam, Malaysia, Brunei, Thailand, Laos and Myanmar. We have also committed to cover pilot plant construction costs, if any, above US $2,400,000. Under the binding terms of the agreement, AGPL will pay a US $1.00 (one dollar) per ton ongoing royalty fee for all coal processed from AGPL majority-owned mines, with a waiver for the first two million tons of coal produced.

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As part of the agreement, AGPL has made an investment of two million US Dollars ($2,000,000) in Clean Coal. For this investment, we issued AGPL a convertible debenture which was converted in August 2012 through the issuance of 48,528,082 restricted common shares of the Company. AGPL will also nominate a board member to be appointed to our board of directors. We have also agreed to issue an option to AGPL to purchase an additional equity stake, to increase AGPL's equity stake up to a total of 20% of the Company's outstanding stock, at a discount to the market price at the date of exercise of the option. Archeanhad the right to acquire the common stock at a 20% discount to the market price between June 26, 2012 and June 30, 2012. Archean did not exercise this right. Contingent upon the successful commissioning of a pilot plant, Archean also has the right to acquire 20% of the outstanding common stock of the Company at a 15% discount to the market price if the commissioning of the pilot plant occurs prior to March 2013. We do not expect the commission of the pilot plant to take place prior to March 2013.

In addition to the JV agreement detailed above, 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.

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 in which we held a 25% stake, 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.

We are continuing our discussions with a large Philippine group that has indicated its desire to move forward once our pilot plant has been successfully commissioned.

In our continued effort to expand global awareness for our technology and to build a potential pipeline of business for when the 1;10 scale plant is successfully commissioned CCTI has 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

Pilot Plant.

Design work on the pilot plant is well underway under the terms of the EPC contract executed between Good Coal Pte, Ltd. (CCTI-Archean JV) and SAIC. Dimensioning of the equipment and its design to handle vastly different coal types are at a very advanced stage and, to date, tests have been very encouraging. The pilot plant project is on track to be completed during Q1 of 2013. Completion and successful commissioning of the pilot plant trigger cash inflows to CCTI totaling $2,375,000 and will provide the basis to begin the roll out of full-scale commercial plants.

Consultants.

In April, we engaged Maxim Group, LLC, an investment bank headquartered in Manhattan, and a specialist in the small and midcap market. Maxim will be advising us on all financial aspects of our business.

In May, we engaged Trilogy Capital Partners, an investment relations firm that specializes in our sector. As we enter the critical development stage for our technology it is vital that our story is professionally and clearly articulated in the market place by a nationally recognized firm.

In August, we engaged NRG Worldwide, a New York business consulting company, to assist with locating and securing business opportunities.

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 are presently in preliminary discussions with China, U.S. and India interests to license our technology, which, if successful, would realize short term revenue opportunities. However, no agreements have been negotiated or executed and we cannot predict when or if any agreements will be completed.

For the Three and Nine Months Ended September 30, 2012 and September 30, 2011

Revenues

In the nine months ended September 30, 2012, we have received an initial license fee of $375,000 from Jindal paid pursuant to the signing of our pilot plant construction contract. The balance of $375,000will be due upon the successful testing of the pilot plant, anticipated in the first quarter of fiscal 2013. We had no revenues for the nine months ended September 30, 2011. We not anticipate additional license revenues until the pilot plant has been successfully tested, and do not expect to receive any significant royalty fees for approximately 24 months thereafter.

Operating Expenses

Our operating expenses for the three and nine months ended September 30, 2012 totaled $2,403,224and $6,525,064, respectively compared to $829,468 and $2,504,092, 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 significant increase in operating expenses for the 2012 fiscal period is due mainly to an increase in officers' salaries and stock-based compensation.

We recorded stock-based compensation of $3,493,238 for the nine months ended September 30, 2012, compared to $1,248,367 for the same period in the prior year. The stock-based compensation consists of common shares issued for services and the grant of common stock options. During the nine months ended September 30, 2012, we issued significantly more common shares for services compared to the same period in 2011. In addition, we granted options during the 2012 period while no options were granted during 2011.

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

Employees

As of September 30, 2012, we have 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.

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

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Net Income/Loss

For the three and nine months ended September 30, 2012, we experienced net losses of $2,369,797 and $8,372,719 respectively, and $847,111 and $2,556,206, respectively for the same periods for the prior year. For the three and nine months ended September 30, 2012 we incurred losses from operations of $2,028,222 and $6,150,062, respectively and $829,468 and $2,504,092, respectively for the three and nine months ended September 30, 2011. We incurred interest expense of $341,573 and $2,571,781 for the three and nine months ended September 30, 2012, respectively and $17,643 and $52,114 for the three and ninemonths ended September 30, 2011, respectively.

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

Liquidity and Capital Resources

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

Net Cash Used in Operating Activities.
Our primary sources of operating cash during the nine months ended September 30, 2012, was the AGPL convertible note and the Jindal license fee, as well as additional borrowings on debt. Our primary uses of funds in operations were payments made to our consultants and employees, as well as travel and office expenses.

Net cash used in operating activities was $1,774,561 for the nine months ended September 30, 2012 compared to net cash used of $535,507 for the same period in 2011. Non-cash items in 2012 included shares issued for services valued at $2,748,471, derivative liabilities recorded as compensation expense of $566,275, amortization of loan discounts of $2,324,720, amortization of deferred financing costs of $120,000, gain on derivative liabilities of $218,487, gain on extinguishment of $130,639, options expense of $744,767 and depreciation expense of $152. During the nine months ended September 30, 2012, we experienced an increase in prepaid expenses and other current assets of $14,610, an increase in accounts payable of $144,476, an increase in related party payables of $266,942 and an increase in accrued liabilities of $46,091.

Net Cash Used In Investing Activities.
We used no cash in investing activities during the nine months ended September 30, 2012 and 2011.

Net Cash Provided by Financing Activities.
Net cash provided by financing activities during the nine months ended September 30, 2012 totaled $1,812,606 consisting of borrowings on debt and convertible debt of $3,060,641, offset by payments on debt and convertible debt of $725,303 and payments on related party debt of $522,732. Net cash provided by financing activities during the nine months ended September 30, 2011 totaled $538,886 consisting of borrowings on debt of $152,300, advances from related parties of $213,586 and borrowings on related party debt of $173,000.

Cash Position and Outstanding Indebtedness
Our total indebtedness at September 30, 2012 was $2,377,305, which consists entirely of current liabilities. Current liabilities consist primarily of accounts payable, accounts payable to related parties, short-term debt and convertible

debt, convertible debt owed to related parties, accrued liabilities and derivative liabilities. At September 30, 2012, we had current assets of $46,387 in cash, $450 of other current assets and $30,565 in prepaid expenses. Our working capital deficit at September 30, 2012 was $2,299,903. We had property, plant and equipment (net of accumulated depreciation) of $179 at September 30, 2012.

Contractual Obligations and Commitments

The following table summarizes our contractual cash obligations and other commercial commitments at September 30, 2012.

	Payments due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years
Facility lease (1)	$ 8,625	$ 8,625	$ -	$ -	$ -
Total contractual cash obligations	$ 8,625	$ 8,625	$ -	$ -	$ -

(1)Our New York lease is for six months, beginning August 1, 2012, at a monthly rate of $2,875 per month.

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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 $250 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 they are deployed in non-competitive projects.

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 March 2012, the Company entered into a Representative Agreement with Cross Border Associates from Singapore, represented by their managing Director Mr. Ravi Gopalan for the specific purpose of concluding the Archean transaction. Cross Border Associates had introduced Archean to the Company in January and when it became clear that a transaction would transpire we signed the agreed Representative Agreement. The Agreement provides for Cross Border associates to receive a 6% fee on the first USD $6,000,000 received by the Company / SAIC. We have a right to elect to pay in cash or stock.

In March of 2012 CCTI agreed to pay Mr. SK Grover, our representative in India a monthly retainer of $6,000 commencing in April 2012. His agreement was amended accordingly.

Our contract with Maxim Group, LLC includes the payment of $20,000 per month for the six month term of the agreement. Our contract with Trilogy Capital Partners includes the payment of $8,000 per month for the three month term of the agreement. Our contract with NGR Consulting includes the payment of a total of $350,000 for the twelve month term of the agreement, payable monthly beginning in October 2012 or upon closing of a business transaction.

Based on our current operational costs and including the capital requirements for our project deployments, we estimate we will need a total of approximately $1,750,000 to fund the Company for the balance of fiscal year 2012 and an additional $5,000,000 to continue for the following fiscal year (2013) or until an initial commercial is up and running. At this filing date, we do not have commitments for funding but intend to seek sufficient debt or equity funding to meet both our capital contribution deadlines and funding sufficient for our operations. 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 September 30, 2012, 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.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Clean Coal Technologies, Inc., and our former Senior Managing Director, Douglas Hague, in addition to shareholder Larry Hunt and consultant CJ Douglas, were named as co-defendants 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. Plaintiff has not made a specific demand for damages; however, plaintiff has made a general demand for damages in order to meet the Court's jurisdictional limits, which is a standard disclosure. We vigorously defended this action that the Company and its attorneys regard as absolutely frivolous, baseless and without merit. On January 24, 2011 attorneys for the plaintiff agreed to the entry of an order dismissing their lawsuit, without prejudice, allowing them twenty days to file an Amended Complaint. Attorneys for the plaintiff filed an Amended Complaint on February 22, 2011 under the same case number. 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. In the event that this case should be advanced, we believe that we have meritorious defenses to all claims; however, an adverse decision could materially and adversely impact us.

Douglas Hague and Clean Coal Technologies, Inc. were named in a complaint filed by the Securities and Exchange Commission (“SEC”) on June 4, 2012 in the United States District Court for the Southern District of Florida, Case No. 0:12-cv-61076-WJZ. The complaint alleged involvement in two fraudulent transactions of restricted stock in the total amount of $40,000 conducted in 2009 during a period when Mr. Hague was CEO and president of the Company. Mr. Hague is no longer associated with the Company. On August 13, 2012, the Company filed an answer to the complaint and is in active communication with the SEC seeking to settle the matter.

ITEM 1A. RISK FACTORS

We have no operating revenues yet and we have made no provision for any contingency, unexpected expenses or increases in costs that may arise.

We are a development stage company and have no revenues from operations, neither has the Company generated any funding through any form of private or public offering 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 in completing development of new technology that will increase development costs and postpone anticipated sales and revenues.

As we develop, refine and implement our technology, 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.

The market for our technology is highly competitive on a global basis, with a number of competitors having significantly greater resources and more established market penetration 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.

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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.

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.

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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 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.

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 $1,750,000 for the balance of 2012, and $5,000,000 for 2013, based on our current contractual obligations. At September 30, 2012, we had total liabilities of $2,377,305 and cash of only $46,387. 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 and warrants 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.

Any negative results from the continuing evaluation of our technology or processed coal produced at future facility sites could have a material adverse effect on the marketability of our technology and future prospects.

We are continuing to evaluate the attributes of coal processed using our technology on a laboratory scale. We do not know if these evaluations will result in positive findings concerning the moisture content, heat value, emission-levels, burn qualities or other aspects of our processed coal. Furthermore, even if current evaluations indicate that our processed coal performs to design specifications, we do not know if later tests or larger scale processing will confirm these current results or that the processed coal will be readily accepted by the market. The process of introducing our technology into the market may be further delayed if these test results are negative or if potential licensees conduct their own tests of the processed coal to determine whether it meets their individual requirements and the results are not acceptable. We have conducted numerous tests of our technology using a variety of feed stocks in our laboratories. The ability to use feed stocks from other locations in the United States or overseas will depend on the results of future tests on different types of coal. If these tests limit the range of viable low-grade coal feed stocks for use in our process, site locations for future plants may be limited and the commercial appeal of the process may be less than anticipated. If this continuing process of evaluation and market introduction results in negative findings concerning our process, it could have a material adverse effect on the marketability of our technology and on our financial condition, results of operations and future prospects.

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

While we 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;
- 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 the use of clean-burning fuel technologies such as ours will help utility companies comply with the air emission regulations and limitations. However, we are unable to predict future regulatory changes and their impact on the demand for our technology. While more stringent laws and regulations, including mercury emission standards, limits on sulfur dioxide emissions and nitrogen oxide emissions, may increase demand for our technology, such regulations may result in reduced coal use and increased reliance on alternative fuel sources. Similarly, amendments to the numerous federal and state environmental regulations that relax emission limitations would have a material adverse effect on our prospects.

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

During the three months ended September 30, 2012, we issued an aggregate of 73,795,994 shares for services and shares to retire outstanding debt obligations and the convertible note to AGPL. There were no sales of unregistered securities for the three months ended September 30, 2011.

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 transactions were issuances to retire outstanding debt, and for services performed, the transactions were all privately negotiated and none involved any kind of public solicitation.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT NO.	DESCRIPTION
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
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

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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: November 14, 2012	By:	/s/ Robin Eves Robin Eves President, CEO, and Acting Chief Financial Officer