

25 November 2020

\$19 million Share Placement Agreed

Share Purchase Plan for Eligible Shareholders to Follow

MELBOURNE, Australia – Co-Chairman, Robert Friedland, and Managing Director and CEO, Sam Riggall, of Clean TeQ Holdings Limited ('Clean TeQ' or 'Company') (ASX:CLQ; OTCQX:CTEQF) announce that the Company has agreed a private placement totalling 75,900,000 fully paid ordinary shares ('New Shares') at an issue price of \$0.25 per share ('Placement Price') to raise proceeds of \$18.975 million ('Placement'). The Placement Price represents a:

- 13.8% discount to the closing price on the ASX of A\$0.290 per share on 20 November 2020, being the last trading day prior to announcement of the Placement;
- 12.6% discount to the 20-day volume-weighted average price ('VWAP') on the ASX of A\$0.286 per share up to 20 November 2020

The New Shares have been subscribed for by institutional and sophisticated investors based in Australia, Asia, Israel and North America. Settlement of the Placement is scheduled to occur on 27 November 2020.

As part of the Placement, Co-Chairman Mr Robert Friedland has subscribed for 12,000,000 New Shares for proceeds of \$3 million ('Conditional Placement'). As Mr Friedland is a director of the Company, the Conditional Placement is subject to shareholder approval at a meeting of shareholders to be held on or around 6 January 2021 and is scheduled to settle on or around 8 January 2021.

The Company is also conducting a Share Purchase Plan ('SPP') for eligible shareholders to apply for shares at the same price as the Placement. The SPP will allow Clean TeQ's approximately 7,000 eligible shareholders with a registered address in Australia or New Zealand the opportunity to subscribe for up to A\$30,000 worth of new fully paid ordinary shares without paying any brokerage or other transaction costs. Shares will be issued under the SPP at A\$0.25 per share, which represents a 16.3% discount to the volume weighted average market price of shares traded on ASX

over the five trading days prior to and including 20 November 2020, being the last trading day prior to announcement of the Placement and SPP. Participation in the SPP is optional and shares issued under the SPP will be fully paid ordinary shares and will rank equally with existing shares.

The proceeds raised under the Placement and SPP are to be used as follows:

- Funding for the ongoing development and growth of our water purification business, including provision of initial working capital for its proposed spin out into a new stand-alone entity;
- Progressing our work in the research and development of graphene oxide membranes as part of the NematIQ joint venture;
- Permitting, land access, environmental monitoring and long-lead activities at our Sunrise Battery Materials Complex, while we continue to pursue a financing package for the project;
- Mineral exploration activities at our suite of tenements including the Phoenix Platinum Zone beneath the Sunrise laterite and the Minore Project near Dubbo, NSW; and,
- General corporate and working capital.

As per the ASX announcement of 14 September 2020, the Company is considering a separation of its water division from the remainder of its business, comprising the Sunrise Project and the Company's other mineral exploration activities in New South Wales.

Establishing stand-alone, separately listed, entities will allow shareholders to more readily manage their own desired exposure to each of the businesses, as well as simplifying the investment proposition to new investors.

In the case of Sunrise, it also provides an opportunity to pursue investment and funding structures within a corporate vehicle comprising an asset suite focused exclusively on battery materials.

The Company has commenced a formal review of a potential demerger, for consideration by the Board, which will provide a recommendation to shareholders in due course. The review will consider taxation, structuring and other regulatory implications.

Preliminary advice indicates that any demerger is likely to be optimised by undertaking a spin out of the Water Business into a new entity ('Newco') by way of a

capital return comprising a pro-rata in-specie distribution of shares in Newco to Clean TeQ shareholders. The Company is progressing the review which is expected to conclude in Q1 of CY 2021.

The Company is also progressing a six-hole diamond core drill program at the Sunrise Project, targeting platinum group metals. Assays results from first three holes are expected in January 2021.

The indicative timetable¹ for the SPP is tabled below.

Record Date for SPP	7.00 pm (Melbourne time) 24 November 2020
Announcement of SPP	25 November 2020
SPP Offer opens	3 December 2020
SPP Offer closes	5.00 pm (Melbourne time) on 8 January 2021
Announcement of results of SPP	13 January 2021
New SPP offer shares issued and application for quotation on ASX lodged	19 January 2021
New SPP offer shares expected to commence trading on ASX	19 January 2021
Despatch of new holding statements	End of January 2021

Further details regarding the SPP will be made available to eligible shareholders in due course.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

For more information, please contact:

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This announcement is authorised for release to the market by the Board of Directors of Clean TeQ Holdings Limited.

About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Australia, Clean TeQ is a global leader in metals recovery and industrial water treatment through the application of its proprietary Clean-iX® continuous ion exchange technology. For more information about Clean TeQ please visit the Company's website www.cleanteq.com.

¹ This timetable is indicative only, and subject to change. Clean TeQ reserves the right to alter the above dates at its discretion, subject to the ASX Listing Rules and the Corporations Act.

About the Clean TeQ Sunrise Project – Clean TeQ is the 100% owner of the Clean TeQ Sunrise Project, located in New South Wales. Clean TeQ Sunrise is one of the largest cobalt deposits outside of Africa, and one of the largest and highest-grade accumulations of scandium ever discovered.

About Clean TeQ Water – Through its wholly owned subsidiary Clean TeQ Water, Clean TeQ is also providing innovative wastewater treatment solutions for removing hardness, desalination, nutrient removal and zero liquid discharge. The sectors of focus include municipal wastewater, surface water, industrial waste water and mining waste water. For more information about Clean TeQ Water please visit www.cleanteqwater.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance and results, and speak only as of the date of this new release.

Statements in this news release that constitute forward-looking statements or information include, but are not limited to, statements regarding: the potential demerger of various entities within the Clean TeQ group of companies, the potential for discovery of minerals and mineral resources at the Company’s mining tenements. Readers are cautioned that actual results may vary from those presented. All such forward-looking information and statements are based on certain assumptions and analyses made by Clean TeQ’s management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other important factors that could cause actual results to differ from these forward-looking statements also include those described under the heading “Risk Factors” in the Company’s most recently filed Annual Information Form available under its profile on SEDAR at www.sedar.com.

Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.