

Melbourne, 27<sup>th</sup> July 2015

## Underwritten Entitlement Offer to raise approximately \$6.6M

### Overview

- **1 for 10 underwritten non-renounceable entitlement offer to raise approximately \$6.6 million through the issue of approximately 36.9 million fully paid ordinary shares**
- **Underwritten by BW Equities with major shareholder Robert Friedland committing to take up his full entitlement and providing additional sub-underwriting for a total commitment of \$3.3 million (inclusive of his entitlement)**
- **Funds raised will be used to progress the development of the Syerston Scandium Project and Clean TeQ's proposed Water Treatment Joint Venture with SIDRI in China**
- **Offer price of \$0.18 per share represents a 27% discount to the last traded price of Clean TeQ shares and a 22% discount to the 15 day volume weighted average price**

### About the Entitlement Offer

Clean TeQ Holdings Limited (ASX:CLQ) (**Clean TeQ**) today announced that it will raise approximately \$6.6 million through a non-renounceable 1 for 10 entitlement offer (**Entitlement Offer**) of fully paid ordinary shares in Clean TeQ (**New Shares**).

The offer price for the Entitlement Offer is \$0.18 per New Share (**Offer Price**). The Offer Price represents a 27% discount to the last traded price of Clean TeQ shares and a 22% discount to the 15 day volume weighted average price.

The Entitlement Offer is underwritten by BW Equities Pty Ltd (**Underwriter**). Clean TeQ's major shareholder, Robert Friedland, has committed to sub-underwrite \$3.3 million of the Entitlement Offer, inclusive of his entitlement under the Entitlement Offer of approximately \$1.1 million.

Funds raised from the Entitlement Offer, together with other funds Clean TeQ has access to, will be used to progress the development of Clean TeQ's 100% owned Syerston Scandium Project in NSW including:

- Metallurgical test-work to confirm the optimal process for leaching of Scandium from ore
- Completion of the Scandium pilot plant production run currently underway
- Infill drilling program targeting high grade extensions to the Syerston resource
- Progressing discussions with Scandium end users with a view to securing binding offtake contracts
- Completion of the Syerston Feasibility Study, targeted for completion in Q2 of 2016

Funds raised from the Entitlement Offer will also be directed towards funding the ongoing development of Clean TeQ's Water Business, including any equity contribution required for the formation of the Water Treatment Joint

Venture with SIDRI in China, repayment of the \$1.2M Nippon Gas loan, costs of the Offer and general corporate and working capital.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 10 existing shares held at 7.00 pm (AEDT) on Friday, 31 July 2015 (**Record Date**) at the Offer Price.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

It is expected that approximately 36.9 million New Shares will be issued as part of the Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the information booklet will also be lodged with ASX.

Clean TeQ will also despatch a letter in relation to the Entitlement Offer to each holder of options. Those shareholders who Clean TeQ determines to be ineligible shareholders will also be notified.

## **Eligible Shareholders**

The eligible shareholders to whom the Entitlement Offer is being made are those shareholders who are:

- a) registered as a holder of Clean TeQ shares as at the Record Date;
- b) have a registered address in Australia, New Zealand or Singapore;
- c) not in the United States, are not a "U.S. person", as defined in Regulation S under the U.S. Securities Act of 1933 (**U.S. Person**), and are not acting for the account or benefit of any person in the United States or any US Person; and
- d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In addition to being able to apply for new shares under the Entitlement Offer, eligible shareholders will also have the ability to apply for additional new shares that are not subscribed for under the Entitlement Offer at the Offer Price.

An investor presentation on the Entitlement Offer has been lodged with ASX today and is able to be downloaded from ASX's website, [www.asx.com.au](http://www.asx.com.au) and from the company's website [www.cleanteq.com](http://www.cleanteq.com). The investor presentation contains important information, including a summary of key risks associated with an investment in Clean TeQ and foreign selling restrictions with respect to the Entitlement Offer.

## **Top Up Placement**

As part of the underwriting arrangements, Clean TeQ has reserved the right to make a placement of new shares to nominees of the Underwriter, at the same Offer Price as under the Entitlement Offer, using Clean TeQ's existing placement capacity (**Top Up Placement**). In particular, sub-underwriters of the Entitlement Offer, other than Robert Friedland, will be offered the right, but not the obligation, to receive a placement of new Clean TeQ shares of up to two thirds of their sub-underwriting commitments upon completion of the Entitlement Offer, equivalent to approximately 12.36 million shares (to raise up to an additional approximately \$2.23 million). It is expected that any new shares issued under the Top Up Placement will be issued at the same time as the New Shares under the Entitlement Offer.

## Entitlement Offer Key Dates<sup>1</sup>

Event	Date
Announcement of the Entitlement Offer and Appendix 3B and Entitlement Offer Booklet lodged with ASX	Monday, 27 July 2015
Shareholder notice despatched	Tuesday, 28 July 2015
Shares traded on an "ex" entitlement basis	Wednesday, 29 July 2015
Record Date for eligibility to participate in the Entitlement Offer	Friday, 31 July 2015
Despatch of Entitlement Offer Booklet and Entitlement and Acceptance Form to eligible shareholders	Tuesday, 4 August 2015
Entitlement Offer opens	Tuesday, 4 August 2015
Last date to extend the Closing Date for the Entitlement Offer	Thursday, 13 August 2015
Entitlement Offer closes at 5pm	Wednesday, 19 August 2015
New Shares quoted on deferred settlement basis	Thursday, 20 August 2015
Shortfall (if any) announced to ASX	Monday, 24 August 2015
Issue of New Shares and Deferred Settlement Trading ends	Wednesday, 26 August 2015
New Shares commence trading on a normal settlement basis	Thursday, 27 August 2015

### For more information about Clean TeQ contact:

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**About Clean TeQ Holdings Limited (ASX: CLQ)** – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX<sup>®</sup> continuous ion exchange technology, is a world leader in resource recovery and industrial water treatment.

For more information about Clean TeQ please visit the Company's website at [www.cleanteq.com](http://www.cleanteq.com).

### Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Clean TeQ does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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<sup>1</sup> All dates are indicative only and subject to change. Clean TeQ reserves the right to withdraw or vary the timetable without notice.