

13 December 2018

Voluntary Planning Agreement signed with Shire Councils of Lachlan, Forbes and Parkes

Clean TeQ to fund A\$18 million in local initiatives and infrastructure upgrades during Clean TeQ Sunrise operations

MELBOURNE, Australia – Clean TeQ Holdings Limited (**Clean TeQ** or **Company**) (ASX/TSX:CLQ; OTCQX:CTEQF) is pleased to advise it has today signed a Voluntary Planning Agreement (**VPA**) with the Shire Councils of Lachlan, Forbes and Parkes, demonstrating the Company's commitment to working with our host communities to ensure the benefits of the Clean TeQ Sunrise Project are shared among all our stakeholders.

Under the VPA, Clean TeQ will fund local initiatives totalling over A\$18 million¹ over the first 21 years of the Clean TeQ Sunrise Project. Today's signing triggers an initial A\$400,000 investment under the VPA into the local region.

Upon Clean TeQ making a formal decision to proceed with construction of the mine, further community enhancement contributions will be made each year in support of community and infrastructure enhancements at the discretion of the Councils. Over the approved life of mine, Clean TeQ will contribute approximately A\$10 million in community enhancement contributions.

Clean TeQ will also contribute approximately A\$340,000 each year to fund maintenance of the road network it will use, with an additional investment to upgrade various roads and intersections. This will ensure its activity does not place undue pressure on the local road infrastructure.

Clean TeQ CEO Sam Riggall and Project and Start-Up Director Tim Kindred attended the signing, along with Lachlan Shire Mayor Cr John Medcalf, Parkes Shire Mayor Cr Ken Keith OAM and Forbes Shire Council Mayor Cr Phyllis Miller OAM.

Clean TeQ CEO Sam Riggall said, *"Clean TeQ Sunrise will generate significant opportunities for local communities through the creation of jobs, generating investment and flow-on spending across the region. Clean TeQ will also benefit from the use of some*

¹ Estimated value inclusive of inflation indexation at an assumed Australian CPI rate of 2.5% p.a.

existing public infrastructure. Through the VPA we can contribute to the cost of maintaining these public facilities and see our communities grow.

“I’d like to thank the Councils for their support of the Clean TeQ Sunrise Project, as demonstrated through their commitment to the VPA. As Clean TeQ Sunrise progresses closer to construction we are looking forward to having more of our people living and working in the region.”



Figure 1 - Clean TeQ CEO Sam Riggall signing the Voluntary Planning Agreement with the Shires of Lachlan, Forbes and Parkes. (L-R): Rick Colless MLC, Parliamentary Secretary for Natural Resources and Western NSW; Lachlan Shire Mayor Cr John Medcalf; Clean TeQ CEO Sam Riggall; Parkes Shire Mayor Cr Ken Keith OAM; Forbes Shire Council Mayor Cr Phyllis Miller OAM

Lachlan Shire Mayor Cr John Medcalf said, *“The signing of the VPA today between Clean TeQ and the three respective Council’s marks a significant milestone in the progress of the Clean TeQ Sunrise Mine project. The community infrastructure, which Council will deliver through the VPA funding, will bring benefit to the Lachlan Shire community. Council looks forward to Clean TeQ becoming a valued corporate citizen of our local government area.”*

Forbes Shire Council Mayor Cr Phyllis Miller OAM said, *“Forbes Shire Council is pleased to partner with Clean TeQ and our neighbouring councils in this unique project for Central West NSW. The VPA will provide an opportunity for Forbes Shire Council to implement unique community enhancement projects over the lifespan of the mine.”*

Parkes Shire Mayor Cr Ken Keith OAM said, "Today marks a major milestone in the development of this nationally-significant mine, and we are delighted to sign the VPA alongside our colleagues from the Lachlan and Forbes Shires.

"Not only will the project generate high-value employment for the region but will also be a supplier of ethically mined nickel and cobalt for the electric vehicle battery market, which is so important for vehicle emission reduction.

"The Community Enhancement Funds will be invested in the Trundle community, with the next round allocated to the community of Tullamore and to investigate childcare needs across the Shire. An additional provision of the VPA will ensure the road network is safe and well maintained."

The support delivered via the VPA is in addition to the significant benefits Clean TeQ Sunrise is expected to bring to communities in Central West NSW, which include:

- Upgrades to local infrastructure and community enhancements;
- Up to 1300 jobs during construction and 300 in operations;
- An estimated A\$1.9 billion in employee salaries and wages forecast over the initial 25 year mine life; and
- Opportunities for local business and economic growth.

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About Clean TeQ Holdings Limited (ASX/TSX: 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.

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, 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, the Clean TeQ Sunrise Project, 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: anticipated benefits and funding from the VPA for the local communities; the ability for the Company to benefit from infrastructure it has funded; the Company's anticipated ability to make an investment decision and proceed with mine construction of the Clean TeQ Sunshine Project; the extent and nature of benefits Clean TeQ Sunrise is expected to bring to communities in Central West NSW; and that the "Clean TeQ Sunrise will generate significant opportunities for local communities through the creation of jobs, generating investment and flow-on spending across the region. 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.