

Melbourne, 30<sup>th</sup> October 2015

## Notice of Annual General Meeting Update

Clean TeQ Holdings Limited (ASX: CLQ) (**Clean TeQ** or **Company**) provides the following update to the Notice of Annual General Meeting which was sent to shareholders on or about 19 October 2015. It is noted that there was a typographical error in the wording of Resolutions 9, 10 and 11. Whilst the headings to those Resolutions in the Notice of Meeting are correct, the names of the directors that appeared in the text of the Resolutions were incorrect. The correct proposed Resolutions have been provided below:

**Resolution 9: Approval to issue 750,000 Options to Mr Roger Harley (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Roger Harley (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 10: Approval to issue 750,000 Options to Mr Ian Knight (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Ian Knight (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 11: Approval to issue 750,000 Options to Mr Eric Finlayson (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Eric Finlayson (or his nominee) on the terms set out in the Explanatory Statement.”*

The Notice of Annual General Meeting dated 13 October 2015 should be taken to have been amended accordingly. A copy of the document correcting the error is attached.

Resolutions 9, 10 and 11 will be proposed in the form described above at the Company's Annual General Meeting to be held on 19 November 2015.

**For more information about Clean TeQ contact:**

Ben Stockdale, CFO or Melanie Leydin, Company Secretary

+61 3 9797 6700

**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).



# **Notice of Annual General Meeting and Explanatory Statement**

*The Annual General Meeting of*

***CLEAN TEQ HOLDINGS LIMITED***

*ABN 34 127 457 916*

*Will be held at  
1.00pm on Thursday, 19 November 2015*

*At the offices of  
Baker & McKenzie  
Level 19, 181 William Street, Melbourne, Victoria, 3000*

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

# CLEAN TEQ HOLDINGS LIMITED

ABN 34 127 457 916

Registered office: 2 Acacia Place, Notting Hill, Victoria, 3168

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of Clean TeQ Holdings Limited (the "Company") will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne, Victoria, 3000 at 1.00pm (Melbourne time) on Thursday, 19 November 2015 ("Annual General Meeting" or "Meeting").

### AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

#### **Receipt and consideration of Accounts & Reports**

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2015.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.*

#### **Resolution 1: Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2015 be adopted."*

#### **Resolution 2: Re-election of Mr Roger Harley as a Director of the Company**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Roger Harley, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election and having offered himself for re-election, is hereby re-elected as a Director of the Company."*

#### **Resolution 3: Election of Mr Eric Finlayson as a Director of the Company**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Eric Finlayson, having been appointed to the Board during the year, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."*

#### **Resolution 4: Ratification of Prior Share Issue**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and approve the allotment and issue on 27 August 2015 of 12,362,164 fully paid ordinary shares in the Company at an issue price of \$0.18 (18 cents) per share."*

**Resolution 5: Approval to issue 480,000 Performance Rights to Mr Sam Riggall (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to 480,000 Performance Rights (being a right to acquire up to 480,000 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no consideration to Mr Sam Riggall (a Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting”*

**Resolution 6: Approval to issue 400,000 Performance Rights to Mr Peter Voigt (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to 400,000 Performance Rights (being a right to acquire up to 400,000 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no consideration to Mr Peter Voigt (a Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting”*

**Resolution 7: Approval to issue 8,000,000 Options to Mr Sam Riggall (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 8,000,000 options to Mr Sam Riggall (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 8: Approval to issue 2,000,000 Options to Mr Peter Voigt (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 2,000,000 options to Mr Peter Voigt (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 9: Approval to issue 750,000 Options to Mr Roger Harley (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Roger Harley (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 10: Approval to issue 750,000 Options to Mr Ian Knight (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Ian Knight (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 11: Approval to issue 750,000 Options to Mr Eric Finlayson (or his nominee)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

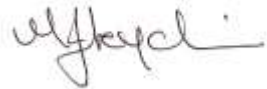
*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve, the issue of 750,000 options to Mr Eric Finlayson (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 12: Approval of 10% Placement Facility**

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum”*

**BY ORDER OF THE BOARD**



**Melanie Leydin**  
**Company Secretary**  
13 October 2015

## PROXY AND VOTING INSTRUCTIONS

1. On a poll, ordinary shareholders have one vote for every fully paid ordinary share held.
2. A member entitled to attend and vote is entitled to appoint not more than two proxies.
3. A proxy need not be a member of the Company.
4. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
  - the full name of the body corporate appointed as proxy; and
  - the full name or title of the individual representative of the body corporate to attend the Meeting.
5. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights and neither proxy is entitled to vote on a show of hands if more than one proxy attends. If it is desired to appoint two proxies, you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy, write both names and the percentage of votes of securities for each proxy.
6. Proxy forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act or signed by an authorised officer or agent.
7. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
8. Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or certified copy of the authority) must be returned using one of the methods below:

### **In person**

#### ***at the Registered Office***

Clean TeQ Holdings Limited  
2 Acacia Place, Notting Hill, Victoria, 3168

#### ***or the Share Registry***

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067

### **By mail**

C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001

### **By facsimile**

on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

### **Online at**

[www.intermediaryonline.com](http://www.intermediaryonline.com) (for Intermediary Online subscribers only)

prior to **1.00pm (Melbourne time) on Tuesday, 17 November 2015.**

9. The Board has determined, in accordance with the Corporation's Regulations, that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7.00pm (Melbourne time) on Tuesday, 17 November 2015.

## **VOTING EXCLUSIONS**

### **Resolutions 1, 5, 6, 7, 8, 9, 10 and 11**

In accordance with ASX Listing Rules, the Company will disregard:

- any votes cast on Resolution 5 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors;
- any votes cast on Resolution 6 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors;
- any votes cast on Resolution 7 by Mr Sam Riggall or by his associates;
- any votes cast on Resolution 8 by Mr Peter Voigt or his associates;
- any votes cast on Resolution 9 by Mr Roger Harley or his associates;
- any votes cast on Resolution 10 by Mr Ian Knight or his associates; and
- any votes cast on Resolution 11 by Mr Eric Finlayson or his associates.

In addition, the Corporations Act provides that a member of the Company's Key Management Personnel as disclosed in the Remuneration Report (which includes the Directors and the Chairman) or a closely related party of that Key Management Personnel, cannot cast a vote on Resolutions 1, 5, 6, 7, 8, 9, 10 and 11 (in any capacity). However, such restrictions do not apply if the vote is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form specifying how the proxy is to vote; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a Key Management Personnel for the Company. Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all resolutions.

### **Resolution 4**

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

### **Resolution 12**

The Company will disregard any votes cast on Resolution 12 by any person who may participate in the issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associates of those persons.

However the Company need not disregard a vote if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the meeting as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

## EXPLANATORY STATEMENT

### **Receipt and consideration of Accounts & Reports**

A copy of the Annual Report for the financial year ending 30 June 2015 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditors) is enclosed. Except for as set out in Resolution 1, no resolution is required on these reports.

### **Resolution 1: Adoption of Remuneration Report**

Section 250R of the Corporations Act requires that a resolution to adopt the remuneration report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2015 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that the in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report for that financial year represented less than twenty five (25%) per cent of the total votes cast and accordingly, while the vote on the remuneration report at this Annual General Meeting may potentially be counted towards the two strikes in the future, a spill resolution will not under any circumstances be required for the 2015 Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

### ***Board Recommendation***

The Board unanimously recommends that the Shareholders vote in favour of this Resolution.

### **Resolution 2: Re-election of Mr Roger Harley as a Director of the Company**

In accordance with ASX Listing Rule 14.4 and Rule 58 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. Further, in accordance with the Company's Constitution, at the close of each AGM one-third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the AGM are those Directors who have been longest in office since their last election. The Managing Director is not subject to retirement by rotation and is, together with any Directors appointed during the year, not taken into account in determining the rotation of retirement of Directors.

Mr Roger Harley is a founder and principal of independent corporate advisory firm, Fawkner Capital. Previously he worked for 11 years for Deutsche Bank, and held positions including Director of Corporate Finance and Director of Equity Capital Markets. His current roles also include Director of People and Parks Foundation and Trustee of the Alfred Deakin Lecture Trust. Mr Harley has had various appointments by the Commonwealth Government that related to the oversight of innovation and venture capital programs and policies. These include membership of the Pooled Development Funds Registration Board, the Industry Research and Development Board and Innovation Australia. His previous board positions include Director of Medibank Private. He was appointed a Director of Clean TeQ on 1 June 2010.



### ***Board Recommendation***

The Board (Mr Roger Harley abstaining) recommends that the Shareholders vote in favour of Resolution 2.

### **Resolution 3: Election of Mr Eric Finlayson as a Director of the Company**

Mr Eric Finlayson was appointed as a director on 16 September 2015 as a casual vacancy and is eligible for election.

Mr Finlayson is a geologist with over thirty years' experience in Australia and overseas.

Mr Finlayson worked as an exploration geologist in Ireland and Turkey with NL Petroleum Services and as a field geochemist in Malawi with the British Civil Uranium Procurement Organisation prior to joining the Geological Survey of Papua New Guinea in 1984 as a regional geological mapper.

In 1989 he joined Rio Tinto as project geologist responsible for copper and gold exploration in the Papua New Guinea highlands based out of Sydney and in 1993 was transferred to Vancouver as regional exploration manager for Canada. This was followed by a transfer to London in 2000 as the personal assistant to the Head of Exploration.

In January 2002, he moved to Perth to assume the role of Rio Tinto's Director of Exploration for Australasia and in January of 2007 was appointed Global Head of Exploration for Rio Tinto based in London. In July 2011, he was appointed CEO of Rio Tinto Coal Mozambique following Rio Tinto's takeover of Riversdale Mining. After two years in Mozambique, Eric departed Rio Tinto in July 2013 and joined High Power Exploration Australia.

### ***Board Recommendation***

The Board (Mr Eric Finlayson abstaining) recommends that the Shareholders vote in favour of Resolution 3.

### **Resolution 4: Ratification of Prior Share Issue**

The Company is seeking Shareholder approval to ratify the issue of 12,362,164 fully paid ordinary shares to professional and sophisticated investors, as part of the Company's capital raising announced in July 2015, and were issued on 27 August 2015.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 12,362,164;
- (b) the Shares were issued at a price of \$0.18 (18 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to clients of BW Equities including a mix of new and existing sophisticated and professional investors; and
- (e) the funds raised will enable the Company to build on recent successes and accelerate its water treatment and metals recovery business and working capital requirements.

### ***Board Recommendation***

The Board unanimously recommends that the Shareholders vote in favour of Resolution 4.

## **Resolution 5 and 6: Approval to Grant Performance Rights to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee)**

### **Background**

Resolutions 5 and 6 of this Notice provide for 480,000 Performance Rights to be granted to Mr Sam Riggall (or his nominee) and 400,000 Performance Rights to be granted to Mr Peter Voigt (or his nominee), and on the terms described below.

Performance Rights are proposed to be granted to each of Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) to align their interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares if certain vesting conditions are met) to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) is a cost effective form of remuneration when compared to the payment of cash consideration.

It should also be noted that the rights will only vest upon a significant improvement in the market capitalisation of the Company in comparison with a group of peer companies which will clearly align the interests of all Shareholders.

The establishment of an effective performance management system is critical for the Company at this time to ensure that the Company complies with all of its obligations whilst maintaining a focus on future growth opportunities. A key role of the benefactors of this program is to ensure that this objective is achieved. It should be recognised that the achievement of these objectives will be to the benefit of all Shareholders, and the conversion of the performance rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component to Directors that is aligned with Shareholder interests.

### **Terms of Performance Rights**

Resolutions 5 and 6 of this Notice provide for a total of 880,000 Performance Rights to be granted to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee). The Performance Rights will be issued to Mr Riggall and Mr Voigt for nil consideration. The vesting of the Performance Rights is contingent on the Company achieving hurdles over a three year performance period (**Performance Hurdles**). Further details on how Performance Hurdles are calculated are described below.

Based on a share price of 24.4 cents (being the closing price of CLQ on 1 July 2015), the tranche of 480,000 Performance Rights to be issued to Mr Riggall are worth approximately \$53,760 and the tranche of 400,000 Performance Rights to be issued to Mr Peter Voigt are worth approximately \$44,800.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

### **Mr Sam Riggall's and Mr Peter Voigt's Remuneration Package**

Mr Riggall was appointed to the Board on 4 June 2013. As announced on 8 July 2015, his remuneration package on commencement with the Company comprises:

- a fixed component of \$200,000 per annum reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$54,795 of the fixed component if key business performance hurdles are achieved;
- an entitlement to receive Performance Rights under the LTI Plan, subject to shareholder approval; and
- 8,000,000 options per annum subject to Shareholder approval (refer to Resolution 7 below).

As this is the first Annual General Meeting since the implementation of the Performance Rights Plan, approval is being sought in Resolution 5 in respect of the proposed grant of Performance Rights to Mr Riggall under the LTI Plan as a component of his overall executive remuneration package put in place on his commencement with the Company.

Mr Voigt was appointed to the Board on 10 September 2007. His current remuneration package comprises:

- a fixed component of \$200,000 per annum reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$50,000 of the fixed component if key business performance hurdles are achieved; and
- an entitlement to receive Performance Rights under the LTI Plan, subject to shareholder approval.

As this is the first Annual General Meeting since the implementation of the Performance Rights Plan, approval is being sought in Resolution 6 in respect of the proposed grant of Performance Rights to Mr Voigt under the LTI Plan as a component of their overall executive remuneration package put in place on his commencement with the Company

### **Performance Rights offered**

The Company proposes to make grants to Mr Riggall and Mr Voigt of Performance Rights under the LTI Plan. The Performance Rights will be issued to Mr Riggall and Mr Voigt for nil consideration. The vesting of the Performance Rights is contingent on the Company achieving performance hurdles over a three year performance period (**Performance Hurdles**). Further details on how Performance Hurdles are calculated are described below.

The number of Performance Rights granted for the three year performance period will be 480,000 to Mr Riggall and 400,000 to Mr Voigt.

### **Conversion of Performance Rights into Shares**

Under the LTI Plan, the Company is required to issue, or procure the transfer of, Shares to Mr Riggall and Mr Voigt in respect of Performance Rights for nil cash consideration on:

- (a) the satisfaction of the Performance Hurdles (to the extent of the satisfaction of those hurdles) for the relevant Performance Period within three years from the date of each grant of Performance Rights (Performance Date) provided that in the absence of special circumstances Mr Riggall and Mr Voigt remains employed by the Company; or
- (b) the occurrence of an Accelerated Event (more detail on the meaning of an Accelerated Event is provided below).

### **Performance Hurdles**

Subject to an Accelerated Event, the Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.

If the Performance Hurdles are not satisfied by the Performance Date the entitlement to Shares will lapse unless:

- (a) the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver in whole or in part of the Performance Hurdles; or
- (b) an Accelerated Event occurs.

There is no ability to re-test whether or not the Performance Hurdles have been satisfied after the Performance Period has ended.

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return (**TSR**) at the Performance Date relative to a comparator group of companies (the **Performance Hurdle**). The VWAP of the Shares in the one-month preceding the Performance Date compared to VWAP of the Shares in the one month preceding the grant date, will be used in calculating TSR over the three year period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

Performance Rights will only convert to Shares subject to the Performance Period being met and subject to the Company's TSR being at least equal to the median of the comparator group performance. The entire annual

allocation will convert if the Company's TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between the Company's performance and the conversion of Performance Rights is:

- 0% converting if the Company TSR performance is below the median performance of the comparator group.
- 50% to 100% converting if the Company TSR performance is at or above the median performance of the comparator group, but below the 75th percentile performance of the comparator group.
- 100% converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.

Under the LTI Plan there will be a straight line pro-rata conversion of Performance Rights to Shares where the Company's TSR performance is between the median and 75th percentile performance.

In addition to the Performance Period and Performance Hurdles, the vesting of Performance Rights is subject to the continuing employment of Mr Riggall and Mr Voigt. Subject to an Accelerated Event, Performance Rights will generally lapse on Mr Riggall's and Mr Voigt's resignation or dismissal.

If an Accelerated Event occurs, all Performance Rights granted will automatically vest into Shares, irrespective of whether Performance Hurdles have been achieved.

To the extent that Performance Hurdles have not been satisfied in respect of a Performance Right, and an Accelerated Event has not occurred, once a Performance Period expires, that Performance Right lapses.

### **Accelerated Event**

Performance Rights granted under the LTI Plan will convert to Shares if an Accelerated Event has occurred. For the avoidance of doubt, if an Accelerated Event occurs, the Performance Hurdles and the associated Performance Period do not apply to any of the Performance Rights granted under the LTI Plan to an Executive Officer.

An 'Accelerated Event' means:

- (a) the Company becoming aware of a change of control of the Company occurring;
- (b) a compromise or arrangement is approved by the Court under the Corporations Act in connection with a scheme for the acquisition, reorganisation or merger of the Company;
- (c) the Company is delisted from ASX;
- (d) a resolution is passed to wind up the Company; or (e) only in respect of the relevant Executive Officer, a special circumstance occurs (Special Circumstance). Special Circumstance means with respect to an Executive Officer:
  - (i) Total and permanent disablement;
  - (ii) Redundancy;
  - (iii) the death of the Executive Officer during his or her employment or office with the Company; or
  - (iv) any other circumstance as the Remuneration & Nomination Committee may at any time determine from time to time.

### *Legal Requirements - Listing Rule 10.14*

Listing Rule 10.14 provides that a company must not permit a Director or their associates to acquire securities under an employee incentive scheme without Shareholder approval. The LTI Plan constitutes an 'employee incentive scheme' under the ASX Listing Rules.

### *Disclosures for the purposes of Listing Rule 10.14*

It is proposed that the Chief Executive Officer, Mr Sam Riggall and Executive Director, Mr Peter Voigt, will participate in the LTI Plan by being granted an award of Performance Rights. As Mr Riggall and Mr Voigt are directors of the Company, shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Riggall and Mr Voigt and the issue of Shares on the vesting of such Performance Rights upon satisfaction of the applicable vesting conditions. The Notice of Meeting and Explanatory Notes have been prepared to comply with Listing Rule 10.15A. No director of the Company, other than Mr Riggall and Mr Voigt, are eligible for participation in the LTI Plan.

The following disclosures are made for the purposes of Listing Rule 10.15A:

- (a) the maximum number of Performance Rights that can be awarded under this approval are 480,000 to Mr Riggall and 400,000 to Mr Voigt respectively. Subject to the satisfaction of the vesting conditions described above, Mr Riggall and Mr Voigt will receive one Share in the Company for each Performance Right granted;
- (b) no consideration is payable on the grant of the Performance Rights, or the conversion of each Performance Right into a Share upon satisfaction of the vesting conditions;
- (c) Mr Riggall and Mr Voigt are the only directors (i.e. person referred to in Listing rule 10.14) entitled to participate in the LTI Plan;
- (d) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Riggall and Mr Voigt;
- (e) details of any Performance Rights issued under the LTI Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued, and the annual report will confirm that approval for the issue of securities was obtained under Listing Rule 10.14;
- (f) any director other than Mr Riggall and Mr Voigt who become entitled to participate in the LTI Plan after Resolution 5 and 6 is approved and who was not named in these Explanatory Notes will not participate until approval is obtained under Listing Rule 10.14; and
- (g) subject to the passing of Resolutions 5 and 6, it is expected that the first tranche of 480,000 Performance Rights to Mr Riggall and 400,000 Performance Rights to Mr Voigt will be granted no later than one month after the Meeting.

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are 6,253,304 fully paid ordinary shares and 8,000,000 unlisted options exercisable and 16.19 cents per option, expiring 25 February 2018;
- (b) Mr Voigt's security interests in the Company are 27,614,683 fully paid ordinary shares and 1,000,000 unlisted options exercisable and 19.35 cents per option, expiring 30 November 2015; and
- (c) the dilution effect of the Performance Rights is in aggregate in the order of 0.24% of the total Shares on issue.

#### *Advantages and Disadvantages*

The Board notes that advantages may accrue to the Company and members as a result of the passing of Resolutions 5 and 6. These advantages potentially include the alignment of Mr Riggall and Mr Voigt's interests more closely with those of members, with a strong focus on the delivery of long term total shareholder return.

The Board notes that disadvantages may accrue to the Company and members as a result of the passing of Resolutions 5 and 6. These disadvantages include dilution to members' interest in the Company as a result of the grant of Shares under the Performance Rights. The fair value of the Performance Rights over the Performance Periods will be expensed in the Company's Consolidated Statement of Comprehensive Income.

#### **Board Recommendation**

The Remuneration and Nomination Committee has approved the grant of Performance Rights to Mr Riggall and Mr Voigt to secure their tenure with the Company as part of their remuneration as Chief Executive Officer and Executive Director and to provide an incentive to improve the financial performance of the Company and, in turn, shareholder value.

The Board (with Mr Riggall and Mr Voigt each abstaining in respect of Resolutions 5 and 6, respectively) recommends that Shareholders vote in favour of Resolutions 5 and 6.

**Resolutions 7, 8, 9, 10 and 11: Approval for the grant of options to Mr Sam Riggall, Mr Peter Voigt, Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson**

The Company seeks approval for the proposed grant of options to the Directors of the Company as follows:

Option recipient	Number of options	Exercise price	Vesting date	Expiry date
Mr Sam Riggall (or his nominee)	<b>Total - 8,000,000</b>		The options vest:	
	4,000,000	23.05 cents	Immediately upon grant	30 June 2018
	4,000,000	23.05 cents (the prevailing share price on 8 July 2015 when the Company entered into an agreement to issue the options, subject to shareholder approval and as adjusted under ASX rules for the entitlement offer completed in Aug-15)	31 December 2015	30 June 2018
Mr Peter Voigt (or his nominee)	2,000,000	14.5 cents (a 30% premium to the prevailing share price on 31 March 2015 when the Company entered into an agreement to issue the options, subject to shareholder approval and as adjusted under ASX rules for the entitlement offer completed in Aug-15)	The options vest immediately on grant	31 March 2018
Mr Roger Harley (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately on grant	30 November 2018
Mr Ian Knight (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately on grant	30 November 2018
Mr Eric Finlayson (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately on grant	30 November 2018

ASX Listing Rule 10.11 requires the approval of shareholders before securities can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 on the options that are proposed to be issued to the Directors:

- (a) the related parties are Mr Sam Riggall, Mr Peter Voigt, Roger Harley, Ian Knight and Eric Finlayson;

- (b) the maximum number of options to be granted in total is 12,250,000;
- (c) the Company will grant the options no later than one month after the Meeting;
- (d) the key terms of the options are as set out above and at Appendix B, Appendix C and Appendix D;
- (e) the options will be granted for nil cash consideration; and
- (f) no funds will be raised from the grant of the options.

Other remuneration (in addition to the proposed grant of options) paid by the Company to Mr Sam Riggall is set out below:

- (a) a fixed component of \$200,000 per annum reviewable annually to Mr Sam Riggall;
- (b) the opportunity to earn an annual short term incentive bonus of up to \$54,795 of the fixed component if key business performance hurdles are achieved;
- (c) an entitlement to receive Performance Rights under the LTI Plan subject to shareholder approval.

Other remuneration (in addition to the proposed grant of options) paid by the Company to Mr Peter Voigt is set out below:

- (a) a fixed component of \$200,000 per annum reviewable annually to Mr Peter Voigt;
- (b) the opportunity to earn an annual short term incentive bonus of up to \$50,000 of the fixed component if key business performance hurdles are achieved;
- (c) an entitlement to receive Performance Rights under the LTI Plan subject to shareholder approval.

Other remuneration (in addition to the proposed grant of options) paid by the company to Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson is annual non-executive Directors fees for \$50,000 (including superannuation).

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are 6,253,304 fully paid ordinary shares and 8,000,000 unlisted options exercisable and 16.19 cents per option, expiring 25 February 2018;
- (b) Mr Voigt's security interests in the Company are 27,614,683 fully paid ordinary shares and 1,000,000 unlisted options exercisable and 19.35 cents per option, expiring 30 November 2015;
- (c) Mr Harley's security interests in the Company are 1,754,220 fully paid ordinary shares and 500,000 unlisted options exercisable and 19.35 cents per option, expiring 30 November 2015;
- (d) Mr Knight's security interests in the Company are 200,000 fully paid ordinary shares;
- (e) Mr Finlayson's security interests in the Company are Nil; and
- (f) the dilution effect of the Options in aggregate is in the order of 3.32% of the total Shares on issue.

The Company believes it is appropriate to grant equity options to non-executive directors. Smaller entities with limited cash resources often elect to use equity instruments to remunerate non-executive directors in order to attract and retain high caliber individuals while minimizing the cash cost of engaging those people. In addition to compensating the non-executive directors for low cash fees the options also help to create alignment between directors and shareholders in that equity instruments reflect the risks and challenges associated with being a director of a low capitalization, pre-development company.

While the options, if their issue is approved by shareholders, must ultimately be valued at the grant date, an indicative valuation of each tranche as at the date the Company entered into an agreement to issue the options, subject to shareholder approval) is detailed below:

Option Recipient	Number of Options	Indicative Value of Options
Mr Sam Riggall (or his nominee)	8,000,000	\$865,000
Mr Peter Voigt (or his nominee)	2,000,000	\$128,000
Mr Roger Harley (or his nominee)	750,000	\$106,000
Mr Ian Knight (or his nominee)	750,000	\$106,000
Mr Eric Finlayson (or his nominee)	750,000	\$106,000

### **Board Recommendation**

The Board (with each Director abstaining in respect of the resolution that proposes an issue of Options to themselves), recommends that Shareholders vote in favour of Resolutions 7, 8, 9, 10 and 11.

The full terms of the Option Issues are set out in Annexure B, C and D of this Explanatory Statement.



## Resolution 12: Approval of 10% Placement Facility

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to increase work on its current exploration assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new resource assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

### Description of Listing Rule 7.1A

#### (a) *Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

#### (b) *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Shares, unlisted Options and Performance Rights.

#### (c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D)–E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%



**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

*(d) Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 418,004,477 Shares and therefore has a capacity to issue:

- (i) 62,700,672 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 12, 41,800,448 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2

*(e) Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

*(f) 10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**Listing Rule 7.1A**

The effect of Resolution 12 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 12 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

**Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.123 50% decrease in Issue Price	\$0.245 Issue Price	\$0.490 100% increase in Issue Price
<b>Current Variable A</b> 418,004,477 Shares	<b>10% Voting Dilution</b>	41,800,448 Shares	41,800,448 Shares	41,800,448 Shares
	<b>Funds raised</b>	\$5,120,555	\$10,241,110	\$20,482,219
<b>50% increase in current Variable A</b> 627,006,716 Shares	<b>10% Voting Dilution</b>	62,700,672 Shares	62,700,672 Shares	62,700,672 Shares
	<b>Funds raised</b>	\$7,680,832	\$15,361,665	\$30,723,329
<b>100% increase in current Variable A</b> 836,008,954 Shares	<b>10% Voting Dilution</b>	83,600,895 Shares	83,600,895 Shares	83,600,895 Shares
	<b>Funds raised</b>	\$10,241,110	\$20,482,219	\$40,964,439

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No listed options are exercised into Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.

- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  - The issue price is **\$0.245**, being the closing price of the Shares on ASX on **12 October 2015**.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 12 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued expenditure on the Company's current assets and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### ***Additional Disclosure under Listing Rule 7.3A***

See below details of issues of all equity securities made in the previous 12 months:

***Date of issue:*** 27 August 2015

***Number issued:*** 36,876,574

***Type of equity security:*** Fully paid ordinary shares

***Recipient of securities:*** Various existing shareholders that participated in the entitlement offer announced by the Company on 27 July 2015.

***Price:*** \$0.18 per share

***Consideration received:*** \$6,637,783

**Use of cash:** To fund the ongoing development of the Syerston Scandium Project, ongoing development of the Water Business, repayment of the \$1.2 million Nippon Gas loan, pay the costs of the offer and for general corporate and working capital requirements.

**Date of issue:** 27 August 2015

**Number issued:** 12,362,164

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Nominees of the underwriter of the entitlement offer announced by the Company on 27 July 2015.

**Price:** \$0.18 per share

**Consideration received:** \$2,225,190

**Use of cash:** To fund the ongoing development of the Syerston Scandium Project, ongoing development of the Water Business, repayment of the \$1.2 million Nippon Gas loan, pay the costs of the offer and for general corporate and working capital requirements.

**Date of issue:** 20 May 2015

**Number issued:** 50,931,885

**Type of equity security:** Fully paid ordinary shares issued upon conversion of convertible notes.

**Recipient of securities:** Sam Riggall and Robert Friedland

**Price:** \$0.079958 per share conversion price (calculated in accordance with convertible note agreements)

**Consideration received:** Shares issued upon conversion of convertible notes for non-cash consideration.

**Valuation of consideration:** \$4,072,398 (based on the conversion price)

**Date of issue:** 15 May 2015

**Number issued:** 1,246,537

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Robert Friedland

**Price:** \$0.140956 per share

**Consideration received:** \$175,707

**Use of cash:** to strengthen the Company's balance sheet and fund the delivery of the Company's pipeline of new projects and working capital requirements.

**Date of issue:** 11 May 2015

**Number issued:** 7,449,143

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Nippon Gas Co. Ltd

**Price:** \$0.140956 per share

**Consideration received:** issue was for non-cash consideration in settlement of \$1,050,000 of principal and accrued interest owing to Nippon Gas Co. Ltd.

**Valuation of consideration:** \$1,050,000 (being the debt obligation partial settlement amount).

**Date of issue:** 11 May 2015

**Number issued:** 6,000,000

**Type of equity security:** Unlisted employee options

**Recipient of securities:** Various employees of the Company

**Price:** Nil

**Consideration received:** options were issued for nil consideration.

**Valuation of consideration:** \$402,000

**Date of issue:** 31 March 2015

**Number issued:** 7,373,053

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Ivanhoe Mines Limited

**Price:** \$0.135629 per share

**Consideration received:** issue was for non-cash consideration for part payment of acquisition of shares in Ivanplats Holding Company Pty Ltd

**Valuation of consideration:** \$1,000,000 (representing part payment of consideration for the acquisition).

**Date of issue:** 26 February 2015

**Number issued:** 1,666,667

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Peter Voigt

**Price:** \$0.06 per share

**Consideration received:** \$100,000

**Use of cash:** to provide working capital, to enable the Company to build on recent successes and accelerate its water treatment and metals recovery business and working capital requirements.

**Date of issue:** 26 February 2015

**Number issued:** 8,000,000

**Type of equity security:** Unlisted options exercisable

**Recipient of securities:** Mr Sam Riggall

**Price:** Nil

**Consideration received:** options were issued for nil consideration.

**Valuation of consideration:** \$584,000

**Date of issue:** 19 December 2014

**Number issued:** 241,965

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Employees of the Company.

**Price:** \$0.06199 per share (deemed issue price)

**Consideration received:** shares were issued for no consideration.

**Valuation of consideration:** \$15,000 (based on the deemed issue price)

**Date of issue:** 19 December 2014

**Number issued:** 37,500,000

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Various existing and new professional and sophisticated investors.

**Price:** \$0.06 per share

**Consideration received:** \$2,250,000

**Use of cash:** to enable the Company to build on recent successes and accelerate its water treatment and metals recovery business and working capital requirements.

**Date of issue:** 19 December 2014

**Number issued:** 2,000,000

**Type of equity security:** Unlisted options exercisable

**Recipient of securities:** BW Equity Pty Ltd

**Price:** Nil

**Consideration received:** issue was for non-cash consideration for capital raising services provided by the broker to the offer.

**Valuation of consideration:** \$52,000

**Date of issue:** 19 December 2014

**Number issued:** 2,000,000

**Type of equity security:** Unlisted options exercisable

**Recipient of securities:** BW Equity Pty Ltd

**Price:** Nil

**Consideration received:** issue was for non-cash consideration for capital raising services provided by the broker to the offer.

**Valuation of consideration:** \$48,000

**Date of issue:** 8 October 2014

**Number issued:** 18,685,714

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Aromatrix Technologies and Robert Friedland

**Price:** \$0.07 per share

**Consideration received:** \$1,308,000

**Use of cash:** to fund the delivery of the Company's pipeline of new projects and working capital requirements.

The total number of Equity Securities issues in the 12 months preceding the date of this Meeting is 192,333,702 Equity Securities representing 60.75% of the total number of equity securities on issue as at 8 October 2014.

### **Board Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 12.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 12;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 12;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2015;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Settlement Operating Rules**” means the rules of ASX Settlement Pty Ltd which apply while the Company is an issuer of CHESS approved securities;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**CHESS**” has the meaning in Section 2 of the ASX Settlement Operating Rules;

“**Company**” means Clean TeQ Holdings Limited ABN 34 127 457 916;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors’ Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**LTI Plan**” means Employee Share Option Plan adopted by the shareholders on 21 November 2013

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Clean TeQ Holdings Limited for the financial year ended 30 June 2015 and which is set out in the 2015 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.

## ANNEXURE A

### Performance Rights Terms Summary

#### Mr Sam Riggall and Mr Peter Voigt

A summary of the terms of the Performance Rights are set out below:

- Each Performance Right gives the recipient the right to acquire one Share.
- The Performance Rights will have a maximum life of 3 years, such that if they are not exercised before the 3<sup>rd</sup> anniversary of their grant (“**Expiry Date**”) they will lapse.
- The issue price for each Performance Right is \$Nil.
- Shares issued on exercise of the Performance Rights will rank equally with all existing Shares from the date of issue. The Company will apply for quotation of the Shares issued on the exercise of each Performance Right.
- The Performance Rights are not transferrable.
- The Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.
- When a Performance Right vests, the Company will issue a vesting notification to the holder of the Performance Right, and if exercised, and after which the holder of the Performance Rights will make payment to the Company of the required issue price.
- Lapsing Conditions: Unless otherwise determined by the Board in its sole and absolute discretion, any vested Performance Rights will lapse on the earlier of:
  - where a participant has acted fraudulently, dishonestly or wilfully breaching their duties to the Company;
  - the Expiry Date; or
  - the holder ceases to be employed by the Company.
- Performance Rights do not give holders any right to participate in new issues of securities in the Company made to Shareholders generally or to participate in dividends unless the Performance Rights are exercised and the resultant Shares are issued prior to the record date to determine entitlements to the securities or dividend (as applicable).
- Performance Rights do not give holders any right to vote.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - the number of Performance Rights will be reconstructed (as appropriate) in a manner consistent with the Listing Rules but with the intention that such reconstruction will not result in any benefits being conferred on the Performance Right holder which are not conferred on Shareholders; and
  - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Performance Rights will remain unchanged.
- If there is a change in control event in relation to the Company (e.g., a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Performance Rights will vest immediately.

## ANNEXURE B

### Terms and Conditions of Options – Sam Riggall

The terms and conditions of the options to be granted to Mr Sam Riggall pursuant to Resolution 7 are as follows:

#### **Terms of Options**

##### **(a) Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

##### **(b) Exercise of Option**

- (i) The option exercise date, vesting date and expiry date are as follows:

Number of options	Exercise price	Vesting date	Expiry date
<b>Total - 8,000,000</b>		The options vest:	
4,000,000	23.05 cents	Immediately upon grant	30 June 2018
4,000,000	23.05 cents	31 December 2015	30 June 2018

- (ii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iii) Remittances must be made payable to 'Clean TeQ Holdings Limited' and cheques should be crossed 'Not Negotiable'.
- (iv) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (v) In the event of liquidation of the Company, all unexercised Options will lapse.

##### **(c) Quotation**

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

##### **(d) Participation in Securities Issues**

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

##### **(e) Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
  - (A) *in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;*



- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

**(f) Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

*(A) Pro Rata Cash Issues*

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

*(B) Pro-Rata Bonus Issues*

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

**(g) Change of Control**

If there is a change in control event in relation to the Company (e.g., a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Options will vest immediately.

## ANNEXURE C

### Terms and Conditions of Options – Peter Voigt

The terms and conditions of the options to be granted to Mr Peter Voigt pursuant to Resolution 8 are as follows:

#### **Terms of Options**

##### **(a) Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

##### **(b) Exercise of Option**

- (i) The Option exercise date, vesting date and expiry date are as follows:

Number of options	Exercise price	Vesting date	Expiry date
2,000,000	14.5 cents	The options vest immediately on grant	31 March 2018

- (ii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iii) Remittances must be made payable to 'Clean TeQ Holdings Limited' and cheques should be crossed 'Not Negotiable'.
- (iv) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (v) In the event of liquidation of the Company, all unexercised Options will lapse.

##### **(c) Quotation**

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

##### **(d) Participation in Securities Issues**

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

##### **(e) Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
  - (A) *in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;*

- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

**(f) Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

*(A) Pro Rata Cash Issues*

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

*(B) Pro-Rata Bonus Issues*

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

**(h) Change of Control**

If there is a change in control event in relation to the Company (e.g., a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Options will vest immediately.

## ANNEXURE D

### Terms and Conditions of Options – Roger Harley, Ian Knight and Eric Finlayson

The terms and conditions of the options to be granted to Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson pursuant to Resolutions 9, 10 and 11 are as follows:

#### **Terms of Options**

**(a) Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

**(b) Exercise of Option**

- (i) The Option exercise date, vesting date and expiry date are as follows:

Option recipient	Number of options	Exercise price	Vesting date	Expiry date
Mr Roger Harley (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately upon grant.	30 November 2018
Mr Ian Knight (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately upon grant.	30 November 2018
Mr Eric Finlayson (or his nominee)	750,000	30% premium to 30 day VWAP prior to grant	The options vest immediately upon grant.	30 November 2018

- (ii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iii) Remittances must be made payable to 'Clean TeQ Holdings Limited' and cheques should be crossed 'Not Negotiable'.
- (iv) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (v) In the event of liquidation of the Company, all unexercised Options will lapse.

**(c) Quotation**

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

**(d) Participation in Securities Issues**

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

**(e) Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:

- (A) *in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;*
- (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
- (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
- (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
- (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
- (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

**(f) Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

*(A) Pro Rata Cash Issues*

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

*(B) Pro-Rata Bonus Issues*

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

**(i) Change of Control**

If there is a change in control event in relation to the Company (e.g., a takeover bid for all the Shares in the Company or any other scheme of arrangement by which more than 50% of the Shares in the Company change ownership) the Options will vest immediately.

┌ 000001 000 CLQ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



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(outside Australia) +61 3 9415 4000

**Proxy Form**

**XX**

 **For your vote to be effective it must be received by 1:00pm (AEDST) on Tuesday, 17 November 2015**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Clean TeQ Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Clean TeQ Holdings Limited to be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne, Victoria on Thursday, 19 November 2015 at 1:00pm (AEDST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7, 8, 9, 10 and 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6, 7, 8, 9, 10 and 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7, 8, 9, 10 and 11 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval to issue 2,000,000 options to Mr Peter Voigt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Roger Harley as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval to issue 750,000 options to Mr Roger Harley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Eric Finlayson as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval to issue 750,000 options to Mr Ian Knight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval to issue 750,000 options to Mr Eric Finlayson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Grant Performance Rights to Mr Sam Riggall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Grant Performance Rights to Mr Peter Voigt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Approval to issue 8,000,000 options to Mr Sam Riggall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /