

27 July 2015

Dear Shareholder

Information for Shareholders – Entitlement Offer

Clean TeQ Holdings Limited (**Clean TeQ**) will shortly be offering eligible shareholders an opportunity to subscribe for shares in Clean TeQ pursuant to a pro-rata non-renounceable Entitlement Offer to shareholders of fully paid ordinary shares (**New Shares**) on the basis of 1 New Share for every 10 shares held at an issue price of \$0.18 (18 cents) per New Share, to raise approximately \$6.6 million before costs (**Entitlement Offer**).

The Entitlement Offer will be made pursuant to an Entitlement Offer booklet (**Offer Document**) and if you are eligible and wish to participate in the Entitlement Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Document. Shareholders will also be invited to apply for additional New Shares in excess of their entitlement.

The Entitlement Offer is underwritten by BW Equities Pty Ltd (**Underwriter**). The Underwriter has received various sub-underwriting commitments, including from Robert Friedland, Clean TeQ's largest shareholder. Robert Friedland has committed to take-up his full entitlement under the Entitlement Offer and has provided an additional sub-underwriting commitment for a total of \$3.3 million (inclusive of his entitlement).

As part of the underwriting arrangements, Clean TeQ has reserved the right to make a further placement of new shares to nominees of the Underwriter, at the same issue price as under the Entitlement Offer, using Clean TeQ's existing placement capacity (**Top Up Placement**). Under the Top Up Placement, the sub-underwriters of the Entitlement Offer, other than Robert Friedland, will be offered the right, but not the obligation, to receive a placement of new Clean TeQ shares of up to two thirds of their sub-underwriting commitments, equivalent to approximately 12,362,160 million shares (to raise up to approximately an additional \$2.23 million).

A copy of the Offer Document is expected to be lodged with ASX and sent to eligible shareholders on or about Tuesday, 4 August 2015. The Offer Document will be despatched to shareholders with registered addresses in Australia, New Zealand and Singapore and who hold Shares as at the record date of 7.00 pm (Melbourne time) on Friday, 31 July 2015.

Pursuant to the ASX Listing Rules, Clean TeQ is required to provide you with certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. A maximum of 36,876,574 New Shares will be issued pursuant to the Entitlement Offer (subject to the rounding of fractional entitlements to New Shares).

2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.
3. The issue price of the New Shares will be \$0.18 (18 cents) each.
4. Clean TeQ will apply for quotation of the New Shares issued pursuant to the Entitlement Offer on the official list of the ASX.
5. The funds raised from the Entitlement Offer together with other funds the Company has access to will be used to progress the development of Clean TeQ's 100% owned Syerston Scandium Project in NSW including:
 - metallurgical test-work to confirm the optimal process for leaching of Scandium from ore;
 - completion of the Scandium pilot plant production run currently underway;
 - infill drilling program targeting high grade extensions to the Syerston resource;
 - progressing discussions with Scandium end users with a view to securing binding offtake contracts; and
 - Syerston Feasibility Study, targeted for completion in Q2 of 2016.

Funds raised from the Entitlement Offer will also be directed towards funding the ongoing development of Clean TeQ's Water Business, including any equity contribution required for the formation of the Water Treatment Joint Venture with SIDRI in China, repayment of the \$1.2M Nippon Gas loan, costs of the Entitlement Offer and general corporate and working capital.

6. It is anticipated that the New Shares subscribed for will be entered into uncertificated holdings on or before Wednesday, 26 August 2015.
7. The total number and class of all securities quoted on ASX (including the maximum number of Shares to be issued under the Entitlement Offer) is as follows:

Shares	Number
Existing ordinary shares	368,765,739
Entitlement Offer	36,876,574 ¹
TOTAL	405,642,312²

Notes:

¹ The number of New Shares to be issued under the Entitlement Offer is subject to the rounding of fractional entitlements to New Shares.

² This number does not take into account any new shares that may be issued by Clean TeQ under the Top Up Placement, which may include an issue of up to approximately 12,362,160 new Shares.

8. Clean TeQ has 21,010,000 options and 1,674,416 performance rights on issue, all unquoted.
9. All New Shares issued pursuant to the Entitlement Offer will have the same dividend entitlements as existing Clean TeQ shares on issue.
10. No shareholder approval for the Entitlement Offer is required.
11. The Entitlement Offer is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements and their equity interest in Clean TeQ will be diluted.
12. The New Shares in the Entitlement Offer will be offered on the basis of 1 new share for every 10 shares held by the shareholder as at the record date. Fractional entitlements will be rounded up.
13. The offer under the Entitlement Offer relates to fully paid ordinary shares in the capital of Clean TeQ.
14. The record date to determine entitlements is 7.00pm (Melbourne time) on Friday, 31 July 2015.
15. Shareholders will be invited to apply for additional New Shares in excess of their entitlement. If there are excess applications for additional New Shares, an appropriate allocation policy will be applied as set out in the Offer Document. The Entitlement and Acceptance Form will contain instructions on how to apply for additional shares.
16. Only shareholders with registered addresses in Australia, New Zealand and Singapore will be sent the Offer Document. In compliance with Listing Rule 7.7.1, Clean TeQ has decided that it is unreasonable to make the Entitlement Offer to shareholders with registered addresses outside of a limited number of jurisdictions (non-eligible shareholders) having regard to each of the following:
 - the number of those security holders registered;
 - the number and value of the securities that would have been offered to those security holders; and
 - the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.
17. The closing date for receipt of acceptances is 5.00pm (Melbourne time) on Wednesday, 19 August 2015.
18. There is no broker to the Entitlement Offer.
19. The Offer Document for the Entitlement Offer and the Entitlement and Acceptance Form are expected to be despatched to eligible shareholders on or about Tuesday, 4 August 2015.
20. The latest date for despatch of certificates or entry of the New Shares subscribed for into your security holdings is Wednesday, 26 August 2015.

The above information was provided to the ASX on Monday, 27 July 2015.

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Computershare Investor Services Pty Limited as Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sam Riggall', is positioned above the printed name.

Sam Riggall
Executive Chairman and CEO
Clean TeQ Holdings Limited