

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Clean TeQ Holdings Limited

ABN

34 127 457 916

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Clean TeQ Holdings Limited (CLQ) intends to issue approximately 36,876,574 fully paid ordinary shares under a pro-rata non-renounceable entitlement offer on a 1 for 10 basis as announced to ASX on 27 July 2015 (Offer). The Offer is underwritten by BW Equites Pty Ltd. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares issued pursuant to the Offer will rank equally with all other shares on issue. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.18 (18 cents) per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised from the issue of new shares will be utilised to fund the development of the Syerston Scandium Project, ongoing development of the Water Business, repayment of the \$1.2M Nippon Gas loan, pay the costs of the Offer and for general corporate and working capital requirements. For further information please refer to the Investor Presentation released to ASX on 27 July 2015.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>20 November 2014</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of securities issued under an exception in rule 7.2	CLQ intends to issue approximately 36,876,574 fully paid ordinary shares under the Offer.	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1	59,846,347
		LR 7.1A	<u>40,564,231</u>
		TOTAL	100,410,578
7	Dates of entering +securities into uncertificated holdings or despatch of certificate	Anticipated to be on 26 August 2015	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		405,642,312*	Ordinary fully paid shares
		*subject to rounding of shares	
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	21,010,000	Options over ordinary shares
		1,674,416	Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

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11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	1 new share will be offered for every 10 existing shares held by an eligible shareholder as at the record date.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	Friday, 31 July 2015
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australian, New Zealand and Singapore.
19	Closing date for receipt of acceptances or renunciations	5.00pm (AEST) on Wednesday, 19 August 2015
20	Names of any underwriters	The Offer is underwritten by BW Equities Pty Ltd (Underwriter).
21	Amount of any underwriting fee or commission	The Underwriter is entitled to an underwriting fee equal to \$232,889.

⁺ See chapter 19 for defined terms.

22	Names of any brokers to the issue	BW Equities Pty Ltd is the broker to the issue.
23	Fee or commission payable to the broker to the issue	BW Equities Pty Ltd will be paid a management fee of \$66,378;
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Tuesday, 4 August 2015
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	27 July 2015
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A

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33 +Despatch date

Wednesday, 26 August 2015

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class
of quoted +securities?

If the additional securities do not
rank equally, please state:

1. the date from which they do
2. the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or interest
payment
3. the extent to which they do
not rank equally, other than
in relation to the next
dividend, distribution or
interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end
of restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	241,670,775
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>2,000,000 - 5 September 2014</p> <p>18,685,714 – 6 October 2014</p> <p>241,965 – 19 December 2014</p> <p>37,500,000 – 19 December 2014</p> <p>1,666,667 – 26 February 2015</p> <p>7,373,053 – 31 March 2015</p> <p>7,449,143 – 11 May 2015</p> <p>1,246,537 – 15 May 2015</p> <p>50,931,885 – 20 May 2015</p> <p>36,876,574 (which comprises the securities the subject of this 3B)</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	405,642,313

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	60,846,347
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,000,000 – 9 July 2015 (options)
“C”	1,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	60,846,347
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	1,000,000
Total [“A” x 0.15] – “C”	59,846,347 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	405,642,313
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	40,564,231
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	-

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	40,564,231
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	-
Total ["A" x 0.10] – "E"	40,564,231 <i>[Note: this is the remaining placement capacity under rule 7.1A]</i>

+ See chapter 19 for defined terms.