

Melbourne, 3 September 2015

Scandium Pilot Plant Update

Clean TeQ Holdings Limited (**ASX: CLQ**) is pleased to announce that wet commissioning of its Scandium recovery pilot plant has been successfully completed and the first batch of Syerston scandium ore has been introduced into the plant.

Clean TeQ's technical team will work with ALS staff to operate the plant during the month of September to produce scandium oxide. The plant simulates Clean TeQ's scandium recovery process including its proprietary ion-exchange metal recovery process. This initial program will process approximately 10-15 tonnes of ore and produce high purity scandium oxide (Sc_2O_3).

Potential offtake partners will use the scandium oxide for testing and product qualification purposes. The pilot plant campaign and additional metallurgical test work programs currently underway will also provide the process design parameters for the upcoming Feasibility Study, due to commence later this year.



Clean TeQ's Resin-In-Pulp (RIP) pilot plant at ALS' facilities in Perth

CORPORATE UPDATE

Clean TeQ has now paid approximately \$1.188 million in full and final settlement of the Nippon Gas loan, which resulted from the purchase by Clean TeQ of Nippon's 50% interest in technology to treat coal seam gas waters. As such, the only remaining debt on Clean TeQ's balance sheet is the \$3 million zero coupon promissory note repayable to Ivanhoe Mines Ltd on 31 March 2018.

As at 31 August 2015, and following repayment of the Nippon Gas loan, Clean TeQ has approximately \$9.5 million available cash on hand and is fully funded to progress the development of the Company'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
- Completion of the Syerston Feasibility Study, targeted for completion in Q2 of 2016.

Funds raised from the Entitlement Offer are also to be directed towards funding the ongoing development of Clean TeQ's Water Business, including any equity contribution required for the formation of the Joint Venture with SIDRI in China. Clean TeQ and SIDRI continue to assess projects in China, in both water treatment and metals recovery, as a basis for establishing the Joint Venture.

For more information about Clean TeQ contact:

Melanie Leydin, Company Secretary or Ben Stockdale, CFO

+61 3 9797 6700

About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX[®] 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.

About The Syerston Scandium Project – Clean TeQ is the 100% owner and operator of the Syerston Scandium Project in New South Wales. The Syerston Project is one of the largest and highest grade scandium deposits in the world. A scoping study was recently completed and more details can be found the ASX announcement dated 25 May 2015.

For more information about Syerston please visit www.cleanteq.com/metals/syerston-scandium/.