Melbourne, 21st December, 2015

Drilling confirms and extends high-grade scandium zones at Syerston

Highlights:

- **Infill drill program confirms existing high-grade scandium resources**
- **Results expected to deliver a significant uplift in confidence levels of the Syerston Scandium Resource with an update currently underway**
- **Step out drilling identifies additional shallow high grade scandium zones**

Clean TeQ Holdings Limited (CLQ:ASX) is pleased to announce the results of a 58-hole shallow vertical reverse circulation (RC) drill program completed in November 2015 at the Syerston Scandium Project in New South Wales. The drill program is part of the Syerston Feasibility Study and was primarily targeted at increasing the confidence levels of the existing high grade scandium resource identified the previously reported 2014/2015 drill programs. For full details of the current Syerston scandium resource see the ASX announcement dated 23 January 2015.

The assay results of the infill drilling were well correlated with the existing data, confirming the high Scandium grades of the drilled zones. The data from the program will provide the inputs for an updated scandium mineral resource, to be used as the basis for the Feasibility Study currently underway. The update to the scandium resource is expected to be completed in January 2016. Based on a preliminary review of the drill data, the update is expected to deliver a significant improvement in the confidence levels of the Syerston resource.

Of note, hole SRC1359 returned the highest recorded scandium grade found at the project to date for a 1m intersection of 1,135ppm Sc (12 to 13m depth), using the 4 acid digest ICP-MS assay method. The previous highest scandium level recorded using the same method was 1,090ppm from hole SRC1302 drilled in May 2015.

The General Manager of Clean TeQ Metals, Mr John Carr, commented: "*The drill results confirm that the Syerston project hosts some of the highest grades of scandium mineralisation in the world. Combined with our technology and with key infrastructure and approvals already in place, Syerston is ideally placed to allow fast-track development of the world's first primary mine for scandium*."

A number of holes were also drilled to test potential high grade extensions of the orebody. A number of new high grade shallow zones of scandium mineralization were discovered as a result of this drilling. These areas will be considered for inclusion in the Syerston resource update which is currently underway, and may result in an increase in the size of the Scandium mineral resource at the project.

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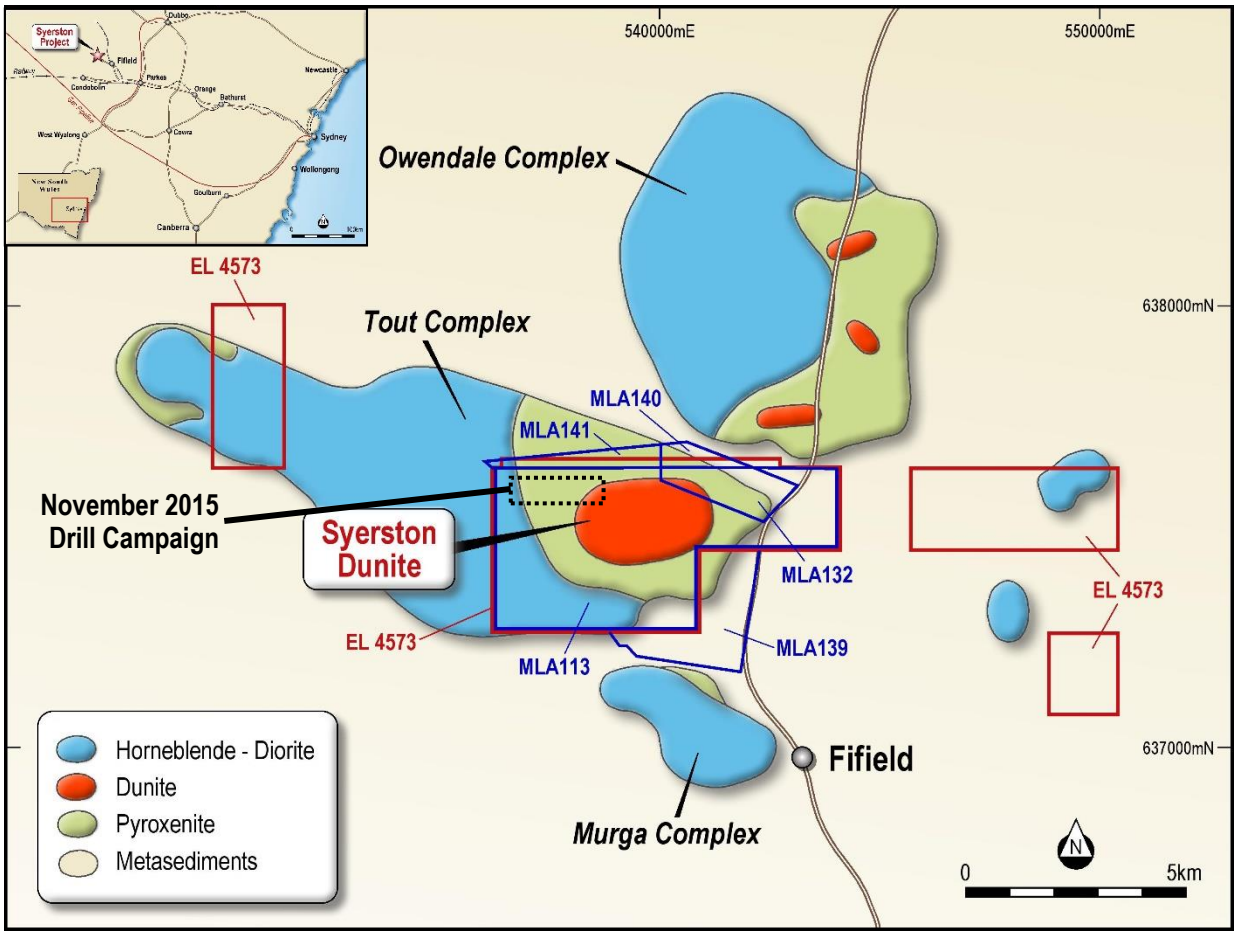

Figure 1: Location of the Syerston Exploration Licence and Mining Licence Applications in the Fifield District (The Nov 2015 drilling is located on the northern edge of the Syerston Deposit, indicated by the dotted line)

The drilling also generated representative samples of the deposit for Feasibility Study metallurgical testwork including recovery optimisation and variability analysis. The Syerston Feasibility Study is targeted for completion in 2016 Q2.

Review of Syerston November 2015 Drill Program

In November Clean TeQ completed a 58-hole shallow vertical reverse circulation (RC) drill program in the vicinity of the old Syerston homestead and the previously reported 2014/2015 drill programs. A total of 1,436m was drilled. The area is on the north-west edge of the Tout Ultramafic Complex (Figure 1). The scandium is hosted in soft shallow laterites developed over ultramafic geology.

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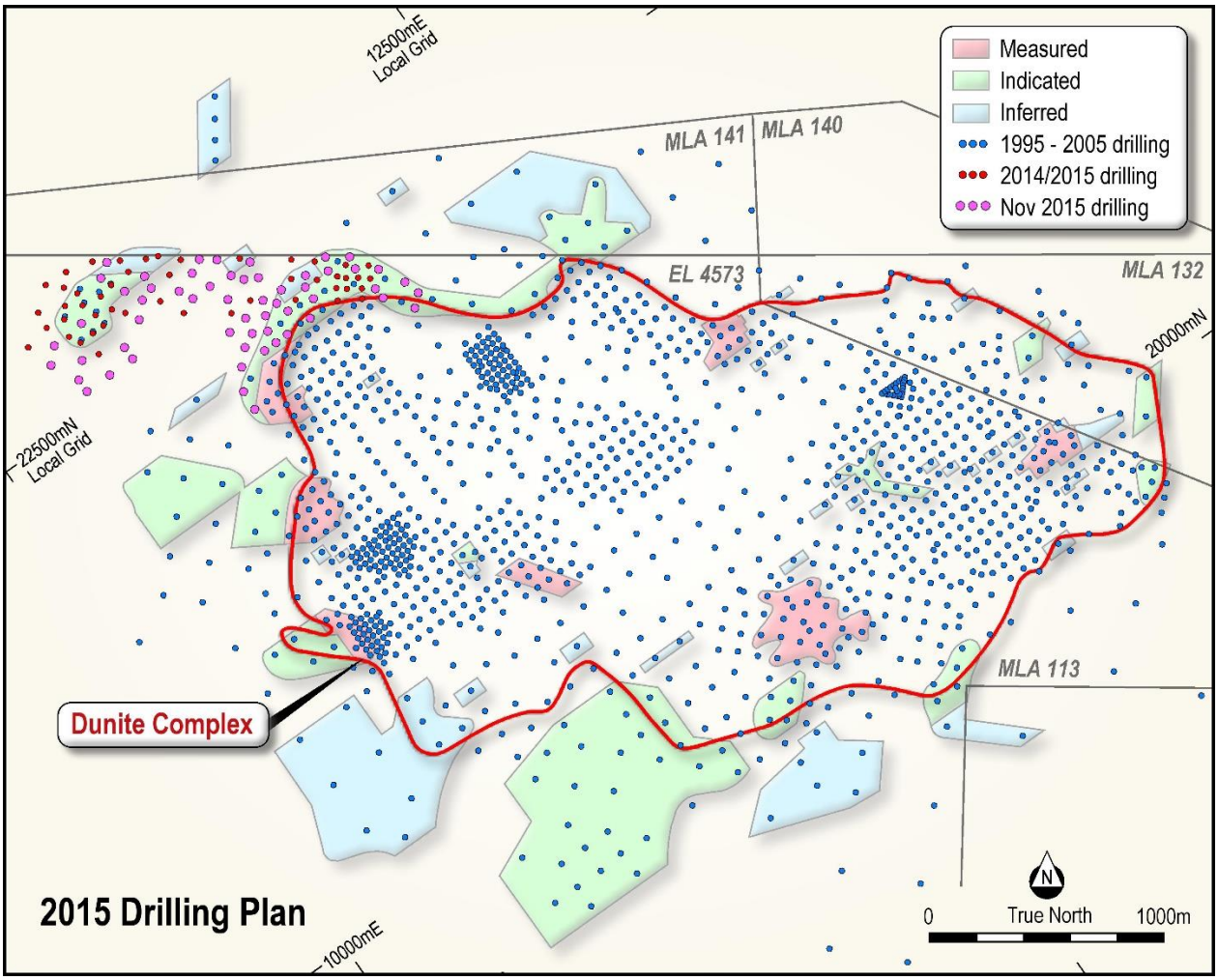

Figure 2: November 2015 completed holes (large pink dots) and historic holes (red and blue dots)

The scandium results from a selection of the November 2015 holes are tabled below. Intersections have been calculated using a 300ppm cut-off with no internal dilution. Some higher grade individual intersections have been averaged out in these results; however a number of significant higher grade zones are also noted.

Best intersections from the drilling program include:

- SRC1359 11m @ 628ppm Sc (6-17m), including:
  3m @ 986ppm Sc (11-14m)
  1m @ 1135ppm Sc (12-13m)
- SRC1335 9m @ 486ppm Sc (2-11m), including:
  1m @ 974ppm Sc (5-6m)

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- SRC1339 10m @ 481ppm Sc (2-12m), including:
  1m @ 953ppm Sc (6-7m)
- SRC1338 9m @ 488ppm Sc (0-19m), including:
  1m @ 717ppm Sc (10-11m)
- SRC1313 9m @ 569ppm Sc (15-24m), including:
  3m @ 711ppm Sc (20-23m)
- SRC1345 13m @ 499ppm Sc (16-29m), including:
  3m @ 710ppm Sc (20-23m)
- SRC1357 9m @ 508ppm Sc (2-11m), including:
  1m @ 706ppm Sc (5-6m)
- SRC1346 10m @ 504ppm Sc (1-11m), including:
  3m @ 693ppm Sc (7-10m)
- SRC1312 5m @ 529ppm Sc (0-5m), including:
  3m @ 632ppm Sc (1-4m)

(Calculated with 300ppm cut-off – 4 Acid Digest ICP-MS analysis)

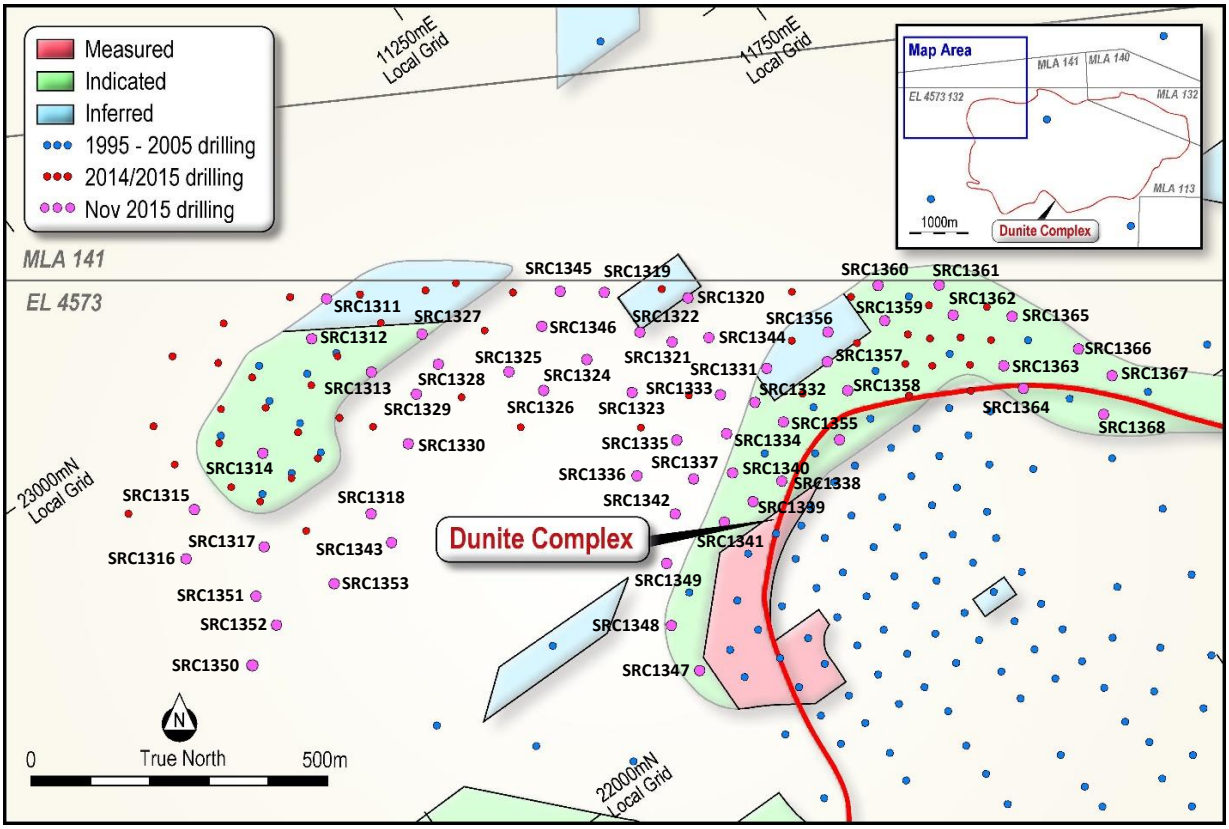

Figure 3: Detailed layout of Nov 2015 completed holes (large pink dots) and historic holes (red and blue dots)

There are two analytical methods commonly used to determine the scandium content of ores – Borate Fusion analysis and 4 Acid Digest ICP-MS analysis.

Borate Fusion is a method where an oxidized sample is dissolved in a molten flux of lithium tetraborate (LiT or $Li_2B_4O_7$) and lithium metaborate (LiM or $LiBO_2$) at temperatures of around 1050^oC. prior to XRF, AA and ICP analysis.

The 4 Acid Digest ICP-MS method uses a combination of HCl (hydrochloric acid), HNO3 (nitric acid), HF (hydrofluoric acid) and HClO4 (perchloric acid). Because hydrofluoric acid dissolves silicate minerals, these digestions are often referred to as 'near-total digestions'.

The 4 Acid Digest method is a very effective dissolution procedure for multi-element analysis, however, there can be a loss of volatile elements during this type of digestion and some refractory minerals (especially oxide minerals) are only partially digested. As a result, the 4 Acid Digest method tends to return slightly lower Scandium levels than the Borate Fusion method.

In order to gather the maximum amount of data available, Clean TeQ can assay for scandium utilising both methods, however, the more conservative 4 Acid Digest method is adopted for the estimation of Syerston's Scandium resource.

Based on a preliminary review of the drill data, the update is expected to deliver a significant improvement in the confidence levels of the Syerston Resource. This work required to update the resource has already started and a new mineral resource statement is expected in January 2016.

Figure 4: Drill rig on site at Syerston

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Drilling Procedures, Sampling, Analysis, Quality Control/Quality Assurance

A URD 650 drill rig was used for the reverse circulation (RC) drill program provided by Ace Drilling who operates from Orange and Singleton NSW.

Samples were collected for each meter (1m) drilled using a riffle splitter on the drill rig.

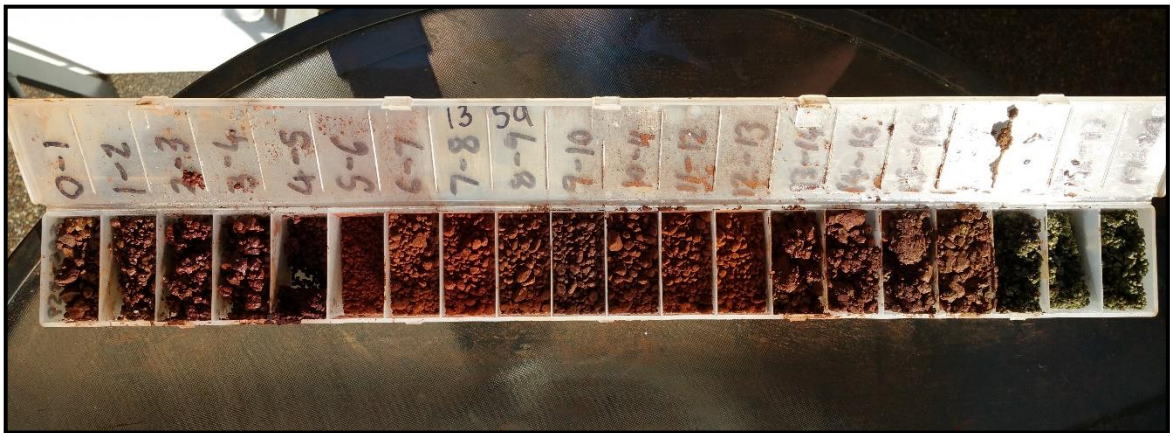

Figure 5: Hole SRC1359 chip tray showing 1m intervals through laterite profile, ending in basement ultramafic (green minerals on RHS of picture)

Samples were then sent to ALS in Brisbane via preparation a lab in Orange to be assayed using 4 acid digest ICP-MS analytical technique. One fully certified scandium standard and two identical duplicates per hole were also assayed for QA-QC purposes. Initial examination of QA/QC results did not indicate any assaying irregularities.

Table 1: Syerston November 2015 Drill Program Summary Hole Information

Hole ID	E – GDA94	N – GDA94	RL (m)	DIP	AZIMUTH	EOH	Drill Date
SRC1311	537052.8	6376508.5	309.2	90	0	17	11/11/2015
SRC1312	537026.1	6376442.5	310.5	90	0	12	11/11/2015
SRC1313	537120.6	6376375.7	309.5	90	0	29	11/11/2015
SRC1314	536939.2	6376246.1	308.1	90	0	35	11/11/2015
SRC1315	536826.8	6376155.8	311.0	90	0	31	12/11/2015
SRC1316	536814.9	6376068.1	310.2	90	0	19	12/11/2015
SRC1317	536942.5	6376091.1	304.5	90	0	49	12/11/2015
SRC1318	537129.9	6376143.3	302.2	90	0	40	13/11/2015
SRC1319	537526.0	6376509.9	315.9	90	0	19	13/11/2015
SRC1320	537671.1	6376503.8	310.9	90	0	5	13/11/2015
SRC1321	537643.5	6376431.4	314.3	90	0	22	13/11/2015
SRC1322	537587.4	6376443.5	313.9	90	0	18	14/11/2015

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Hole ID	E – GDA94	N – GDA94	RL (m)	DIP	AZIMUTH	EOH	Drill Date
SRC1323	537567.5	6376348.3	308.7	90	0	5	14/11/2015
SRC1324	537491.6	6376400.2	310.3	90	0	7	14/11/2015
SRC1325	537367.6	6376383.1	309.5	90	0	48	14/11/2015
SRC1326	537419.4	6376346.2	308.7	90	0	28	14/11/2015
SRC1327	537224.1	6376448.3	314.4	90	0	28	15/11/2015
SRC1328	537239.5	6376390.2	310.6	90	0	40	15/11/2015
SRC1329	537207.0	6376343.3	307.5	90	0	40	16/11/2015
SRC1330	537189.5	6376258.3	304.4	90	0	40	16/11/2015
SRC1331	537799.7	6376381.8	307.1	90	0	10	16/11/2015
SRC1332	537781.9	6376329.8	306.1	90	0	6	16/11/2015
SRC1333	537727.8	6376339.9	307.6	90	0	12	16/11/2015
SRC1334	537728.6	6376275.6	306.2	90	0	22	16/11/2015
SRC1335	537648.4	6376262.8	308.0	90	0	16	17/11/2015
SRC1336	537574.2	6376204.3	305.2	90	0	4	17/11/2015
SRC1337	537665.7	6376194.5	306.2	90	0	16	17/11/2015
SRC1338	537824.5	6376191.3	302.7	90	0	22	17/11/2015
SRC1339	537772.1	6376156.8	303.1	90	0	13	17/11/2015
SRC1340	537739.8	6376204.2	304.1	90	0	6	17/11/2015
SRC1341	537723.6	6376124.9	302.9	90	0	15	17/11/2015
SRC1342	537641.4	6376135.9	305.3	90	0	15	17/11/2015
SRC1343	537156.5	6376104.3	301.3	90	0	31	18/11/2015
SRC1344	537718.3	6376449.9	310.1	90	0	23	18/11/2015
SRC1345	537440.5	6376510.6	315.5	90	0	41	18/11/2015
SRC1346	537418.0	6376458.1	312.4	90	0	13	18/11/2015
SRC1347	537680.7	6375875.0	296.2	90	0	39	18/11/2015
SRC1348	537638.5	6375947.2	298.3	90	0	25	19/11/2015
SRC1349	537628.3	6376053.9	302.1	90	0	15	19/11/2015
SRC1350	536922.9	6375910.2	299.7	90	0	42	20/11/2015
SRC1351	536914.2	6376016.3	303.0	90	0	48	23/11/2015
SRC1352	536995.9	6375990.6	300.7	90	0	51	24/11/2015
SRC1353	537062.1	6376030.7	300.9	90	0	55	24/11/2015
SRC1354	537922.9	6376259.5	304.7	90	0	24	25/11/2015
SRC1355	537842.4	6376291.2	304.9	90	0	12	25/11/2015
SRC1356	537902.6	6376444.2	310.7	90	0	54	26/11/2015
SRC1357	537905.0	6376386.1	309.9	90	0	14	26/11/2015

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Hole ID	E – GDA94	N – GDA94	RL (m)	DIP	AZIMUTH	EOH	Drill Date
SRC1358	537936.9	6376342.0	310.1	90	0	12	26/11/2015
SRC1359	537998.7	6376459.3	310.8	90	0	20	26/11/2015
SRC1360	537992.3	6376520.1	307.6	90	0	36	26/11/2015
SRC1361	538096.1	6376519.5	308.4	90	0	13	27/11/2015
SRC1362	538117.7	6376473.7	308.9	90	0	19	27/11/2015
SRC1363	538203.4	6376384.7	304.8	90	0	35	27/11/2015
SRC1364	538235.8	6376343.8	303.7	90	0	36	27/11/2015
SRC1365	538220.0	6376467.9	304.6	90	0	24	27/11/2015
SRC1366	538330.3	6376408.2	300.4	90	0	20	27/11/2015
SRC1367	538387.9	6376361.2	299.8	90	0	19	27/11/2015
SRC1368	538370.9	6376293.3	298.3	90	0	26	28/11/2015

Clean TeQ's updated resource statement will be calculated using Four Acid Digest ICP-MS assay results from more recent May 2015 and November 2015 drilling campaigns, combined with the current resource established from historical drilling programs.

For more information about Clean TeQ contact:
Sam Riggall, Chairman 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® continuous ion exchange technology, is a leader in metal recovery and industrial water treatment. Clean TeQ Metals Pty Ltd has been established as Clean TeQ's wholly owned subsidiary to build a metals recovery business through securing and developing projects which significantly benefit from Clean TeQ's unique hydrometallurgical processing capability. For more information about Clean TeQ please visit the Company's website at www.cleanteq.com.

About The Syerston Scandium Project – Clean TeQ owns the Syerston Scandium Project, located in New South Wales, the Syerston Project is one of the largest and highest grade scandium deposits in the world. The Syerston Scandium Project Scoping Study was completed in May 2015 – for details see the ASX announcement dated 25 May 2015. For more information about Syerston please visit www.cleanteq.com/metals/syerston-scandium/.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Andrew Johnstone has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Andrew Johnstone, who is a consultant to the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This release may contain forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

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Appendix 1: JORC 2012 edition – Table 1 Report for Syerston Scandium Project – November 2015 Reverse Circulation (RC) Drill Program – 58 Holes

Section 1	Sampling Techniques and Data
Sampling Techniques	1m composite samples were collected from a riffle splitter attached to a cyclone on the drill rig. The 1m composites were collected into individual numbered calico bags which delivered directly from site to ALS labs in Orange for preparation and geochemical analysis. Every 1m of material expelled by the drill rig was collected via a cyclone and placed in large plastic sample bags also individually numbered. These bags are currently stored onsite at each hole location for future use/reference. Two Duplicate samples were collected from bagged one meter interval. Meters 5 to 6 were samples using a spear for this purpose. 2 identical duplicates were collected to ensure consistency of spearing the material. In addition a (one) Certified Standard was also added to the samples for each hole. The standard was sourced Ore Research Exploration based in Melbourne, The standard is coded as ORES45e and a complete certified analysis of the standard is available from their web site. http://www.ore.com.au/
Drilling techniques	A UDR650 Reverse Circulation drill rig was used to conduct the drilling. Nominal 5.5" diameter sampling hammer was used to minimize risk of sample contamination. Samples were collected using a cyclone and riffle splitter connected directly to the drill rig.
Drill sample recovery	Sample recovery was constantly monitored; no samples were weighed however consistent size/volume of material was monitored from the cyclone and the riffle splitter.
Logging	Logging took place by taking a speared sample from each 1m bag of drill chips collected from the cyclone. This material was then placed in a sieve and washed to remove dust and fine particles, leaving residual coarse chips for logging. A sample of these chips was then collected to represent each one meter and placed in a chip tray. Visual logging of the material employed a methodology focused on identifying laterite lithology and basement geology where intersected: lithology, weathering, alteration, veining and structure were all recorded.
Subsampling techniques and sample preparation	Samples were delivered to ALS in Orange for sample preparation/grinding/pulverization to produce homogeneous material/subsamples for transfer to ALS in Brisbane for analysis.
Quality of assay data and laboratory tests	Quality of assay data has been assessed by examining both results from Standard ORES45e and duplicates. ALS Laboratories also has its own internal QA/QC procedures. All ALS Geochemistry laboratories in Australia are certified to ISO 9001:2008 and our Brisbane laboratory holds NATA technical accreditation to ISO 17025:2005. Assessment of the principal target mineral was done via 4 acid digest ICP-MS technique.
Verification of sampling and assaying	Use of an independent standard and duplicates enable verification of both analysis and sample acquisition via a riffle splitter. By offering know accurate geochemical results to compare to ALS/Laboratory results. And alternative sampling method to compare sample collected from Riffle splitter on the drill rig.

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Section 1	Sampling Techniques and Data
Location of data points	A modern Garmin Oregon hand held GPS was used to locate drill holes. All holes were surveyed using a differential GPS after completion by a Registered Surveyor from Geolyse Pty Ltd, Orange NSW.
Data spacing and distribution	The location and distribution of the November 2015 RC drill program was largely orientated along the northern boundary of EL 4573 at a variable spacing to target historic 1990's drilling and infill and extend August 2014 and May 2015 RC drilling. The location of the drill holes was positioned near known farm tracks, open pasture and in lightly vegetated scrub land.
Orientation of data in relation to geological structure	The Laterite soil being targeted has developed over an ultramafic intrusion. This intrusion has intruded into the surround geology as a pipe/plug like body. The orientation of the drilling is approximately along an east west axis in the vicinity of the northern boundary of the ultramafic body.
Sample security	Sample were collected and then immediately delivered to ALS Laboratories in Orange by Clean TeQ supervising geologist. Submission forms and accurate labelling of sampling bag should ensure no errors are introduced into the analysis of samples. Residual pulps from preparation of samples at ALS have been retained by at ALS so to enable further QA/QC to take place if required.
Audits or reviews	No audits or reviews have taken place.

Section 2	Reporting of Exploration Results
Mineral tenement and land tenure status	Clean TeQ acquired a 100% interest in the holding company for the Syerston Mining Licence Applications and Exploration Licence in March 2015. Further information on the agreement can be found in the ASX releases by Clean TeQ (ASX:CLQ). All licenses are in good standing with government departments with rents paid up to date and annual reports current.
Exploration done by other parties	PGM mineralisation has been known about for many years with pioneers mining alluvial PGE minerals at nearby Fifield as early as 1920's. At Syerston Exploration begun in 1986 for PGMs, However drilling showed considerable Ni-Co mineralisation, which became the focus of exploration and development for the next 25 years. Extensive drilling and development to date: – 2000: Black Range Minerals completed a feasibility study for Ni/Co, including 732 RC drill holes and 9 bulk met samples. – 2005: Ivanhoe Mines completed another feasibility study for Ni/Co after acquiring the project from Black Range, including an additional 175 RC drill holes for 6,748m. Clean TeQ has access to all the historic data, and in addition has access to original samples collected from drilling by Ivanplats and Black Range.

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Section 2	Reporting of Exploration Results
Geology	The Syerston scandium mineralisation is hosted within a lateritic soil profile developed from weathering and seasonal water table movements over the Tout Ultramafic Complex. The Complex has a dunite core at the centre with outer more mafic units including pyroxenite surrounding. Historically, no focus was given to scandium at Syerston; however recent work by other companies and Ivanplats has shown the scandium grades are very high by global standards. Neighbouring EL's also covering the Tout Ultramafics have recently (2014) delivered Laterite Scandium resources of with grades of approximately 400ppm Sc.
Drill hole information	This Release relates to November 2015 Drill program of 58 RC holes. Basic hole location information is provided in the release and a selection of the best scandium intersections has also been reported along with a Plan map showing the hole locations over geo-located aerial photogrammetry. Many elements were assessed through analysis by ALS labs for every 1m composite collected. However that data is not reported in this release.
Data aggregation methods	Principally Excel and MAPINFO have been used to assess and integrate data.
Relationship between mineralisation widths and intercept lengths	Shallow Vertical Drilling was undertaken at Syerston. Little or no deviation from vertical is expected when drilling soft laterite soils using a large UDR 650 Reverse Cycle Drill Rig. In addition laterites are generally horizontal in nature. There for it could be assumed that the intersections from the drilling represent a true with of mineralisation.
Diagrams	A plan of the drill holes is show in Figure 2. The colour of the dots representing the location of each hole colour coded to represent different aged surveys.
Balanced reporting	Clean TeQ will endeavour to produce balanced reports which reflect and accurately report the results obtained from exploration carried out. Any external information included in reports will be adequately referenced to allow scrutiny.
Other substantive exploration data	Detailed Geophysical data (magnetic and gravity) Detailed Satellite Data, Detailed topography data, Detailed 3d geochemical database from historical drilling, and detailed surface geology is available for the Syerston Project in line with a project that had been through 2 full feasibility studies and development consent. This collective information/data is available to CleanTeQ to exploit and is independently validated and certified.
Further work - 4573	The November 2015 drilling has shown significant Scandium is present in 46 of the 58 drill holes completed. The results will be used to refine the existing resource and target sampling for additional metallurgical test work. The November and May 2015 drilling will be used to refined scandium resource for the area.

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Tenements/Licences – Syerston Project New South Wales, Australia

Licence No.	Application Date	Grant	Interest	Location
EL4573	--	Yes	100%	North North West of Fifield, Central New South Wales
MLA141	10 Dec 1999	pending	100%	North North West of Fifield, Central New South Wales
MLA140	10 Dec 1999	pending	100%	North North West of Fifield, Central New South Wales
MLA139	10 Dec 1999	pending	100%	North North West of Fifield, Central New South Wales
MLA113	10 Aug 1998	pending	100%	North North West of Fifield, Central New South Wales
MLA132	20 Sept 1999	pending	100%	North North West of Fifield, Central New South Wales
MLA162	27 Sept 2000	pending	100%	North North West of Fifield, Central New South Wales

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