Australian Securities Exchange & Media Announcement

Clean TeQ Holdings Limited (CLQ:ASX; CTEQF:OTCQX)

31 July 2017

High purity cobalt sulphate dispatched to customers

Clean TeQ Holdings Limited's (CLQ:ASX; CTEQF:OTCQX) is pleased to advise that production of samples of high purity cobalt sulphate (CoSO4.7H2O) has been finalised from the processing of Syerston ore at the company's nickel and cobalt recovery and purification demonstration plant at ALS Metallurgy in Perth. The samples have been dispatched to a number of potential customers in the lithium ion battery supply chain for testing and analysis.

Samples of Syerston Cobalt Sulphate

Clean TeQ Managing Director, Sam Riggall, stated "Cobalt, in sulphate form, is a critical element in lithium-ion batteries used in electric cars. We have demonstrated that our proprietary flow sheet can successfully process Syerston ore to produce the high purity specification for cobalt sulphate demanded by the battery industry. This is a significant achievement in the development of the project and a critical step in the process of securing offtake commitments."

The lithium ion battery industry already consumes 50 per cent of global cobalt supply, and demand is expected to soar as the world switches from petrol and diesel cars to electric vehicles. This week, Britain followed several European nations in declaring a ban on the sale of vehicles containing internal combustion engines from 2040. Syerston is one of the largest and highest grade cobalt deposits outside of Africa. Syerston's unique mineral resource, when combined with Clean TeQ's proprietary ion exchange extraction and

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purification processing technology, positions the Company to become one of the largest and lowest cost suppliers of key cathode raw materials to the lithium-ion battery market – nickel sulphate and cobalt sulphate.

The Company has entered into a small number of non-binding Memoranda of Understanding (MoU) for offtake of cobalt and nickel sulphate representing a proportion of Syerston's anticipated production over the first five years of the mine life with counterparties who are well established in the lithium-ion battery supply chain. The MoU's define certain key terms of the offtake contracts including volumes and pricing structure. As the Definitive Feasibility Study is progressed, offtake discussions will continue with these parties, and others, with a view to committing a substantial proportion of Syerston production under binding off take agreements.

The Definitive Feasibility Study is progressing well and remains on track for completion in the fourth quarter of 2017.

The Syerston Project will also produce significant quantities of scandium for the next generation of light-weight aluminum alloys for transportation markets.

For more information about Clean TeQ contact:
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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 metals recovery and industrial water treatment.

For more information about Clean TeQ please visit the Company's website www.cleanteq.com.

About the Syerston Project – Clean TeQ is the 100% owner of the Syerston Project, located in New South Wales. The Syerston Project is one of the largest and highest grade scandium deposits in the world and one of the highest grade and largest nickel and cobalt deposit outside of Africa.

About Clean TeQ Water – Through its wholly owned subsidiary Clean TeQ Water, Clean TeQ is also providing innovative wastewater treatment solutions for removing hardness, desalination, nutrient removal, zero liquid discharge. The sectors of focus include municipal wastewater, surface water, industrial waste water and mining waste water.

For more information about Clean TeQ Water please visit www.cleanteqwater.com

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