



CLEAN TEQ HOLDINGS LIMITED
ACN 127 457 916

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday, 31 October 2019

Time of Meeting:
10.00am (AEDT)

Place of Meeting:
RACV Club
Level 2
501 Bourke Street
Melbourne Victoria 3000

*This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their
accountant, solicitor or other professional advisor without delay.*

CLEAN TEQ HOLDINGS LIMITED

ACN 127 457 916

Registered Office: 12/21 Howleys Road, Notting Hill Victoria 3168

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Members of Clean TeQ Holdings Limited (the "Company") will be held at RACV Club, Level 2, 501 Bourke Street, Melbourne Victoria 3000 at 10.00am (AEDT) on Thursday, 31 October 2019 ("Annual General Meeting" or "Meeting").

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt & Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2019.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2019 be adopted."

Resolution 2: Election of Mr Shawn Wang as a Director of the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Shawn Wang, having been appointed as a Director during the year, vacates office in accordance with the Constitution of the Company and being eligible offers himself as a Director of the Company."

Resolution 3: Re-Election of Mr Michael Spreadborough as a Director of the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Michael Spreadborough, being a Director who retires by rotation pursuant to the Constitution of the Company and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 4: Re-Election of Ms Stefanie Loader as a Director of the Company

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Ms Stefanie Loader, being a Director who retires by rotation pursuant to the Constitution of the Company and being eligible, offers herself for re-election, be re-elected as a Director of the Company."

Resolution 5: Approval to Issue 348,742 Performance Rights to Mr Sam Riggall

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 348,742 Long Term Incentive Plan Performance Rights (being a right to acquire up to 348,742 fully paid ordinary shares in the Company subject to satisfaction of relevant vesting conditions) for no consideration to Mr Sam Riggall (a Director and Chief Executive Officer of the Company), as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 6: Approval to Issue 408,117 Performance Rights to Mr Sam Riggall

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 408,117 Long Term Incentive Plan Performance Rights (being a right to acquire up to 408,117 fully paid ordinary shares in the Company subject to satisfaction of relevant vesting conditions) for no consideration to Mr Sam Riggall (a Director and Chief Executive Officer of the Company), as described in the Explanatory Statement accompanying this Notice of Meeting.”

Resolution 7: Approval to Grant Options to Mr Sam Riggall (or his nominee)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 1,000,000 options (being a right to acquire up to 1,000,000 fully paid ordinary shares in the Company for \$0.53 per share, which represents a premium of approximately 46% to the 5-day volume weighted average share price of the Company at the date of the offer (9 August 2019)) for no consideration to Mr Sam Riggall (Managing Director and Chief Executive Officer of the Company), or his nominee, as described in the Explanatory Statement.”

SPECIAL BUSINESS

Resolution 8: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

CONTINGENT BUSINESS

Resolution 9: Holding a Spill Meeting

Condition for Resolution 9: Resolution 9 will be considered at the AGM only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report. The Explanatory Statement further explain the circumstances in which Resolution 9 will be put to the meeting.

If the condition (described above) is satisfied, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, as required by the Corporations Act:

- (a) a meeting of the Company’s members be held within 90 days of the date of the 2019 Annual General Meeting (the **spill meeting**);*
- (b) Robert Friedland, Jiang Zhaobai, Eric Finlayson, Ian Knight, Stefanie Loader, Michael Spreadborough, Shawn Wang and Judith Downes (being the directors other than the Managing Director Sam Riggall who approved the last Directors’ Report) cease to hold office immediately before the end of the spill meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.”*

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Melanie Leydin', with a long horizontal flourish extending to the right.

Melanie Leydin
Company Secretary

17 September 2019

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its Constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
 - h. To be effective, Proxy Forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) on Tuesday, 29 October 2019. Any proxy received after that time will not be valid for the scheduled Meeting.

4. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. **Voting Exclusion Statement:**

Resolutions 1 and 9

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

However, such restrictions do not apply if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form specifying how the proxy is to vote or by the Chair of the meeting as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote. If you appoint the Chair or a member of the Key Management Personnel as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a Key Management Personnel for the Company.

Resolutions 2, 3 and 4

There are no voting exclusions on each Resolution.

Resolutions 5,6 and 7

The Company will disregard any votes cast in favour of each Resolution by any Director of the Company who is eligible to participate in the Company's Long-Term Incentive Plan or an associate of such a Director.

However, the Company need not disregard a vote on this Resolution if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides. If you appoint the Chair or a member of the Key Management Personnel as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a Key Management Personnel for the Company.

Resolution 8

The Company will disregard any votes cast in favour of Resolution 8 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being of a holder of ordinary securities in the Company) and any associate of such person.

However, the Company need not disregard a vote on this Resolution if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Receipt & Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2019 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is not enclosed. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively, you may access the Annual Report at the Company's website: www.cleanteq.com or via the Company's announcement platform on ASX. Except as set out in Resolution 1, no resolution is required on these reports.

ORDINARY BUSINESS

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Board Recommendation

The Board recommends that all eligible Shareholders vote in favour of this Resolution to adopt the Remuneration Report. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2: Election of Mr Shawn Wang as a Director of the Company

Background

Mr Shawn Wang was appointed as a Non-Executive Director on 6 March 2019 as a casual vacancy and is eligible for election under the Company's Constitution.

Mr Wang brings a wealth of valuable business experience to the Company having engaged in cross-border mergers and acquisitions and investment in natural resources for more than 10 years. As Head of Business Development and Investment at Pengxin International Mining Co. Ltd (Pengxin Mining), Mr Wang is responsible for all investment activities in Pengxin Mining, one of Clean TeQ's largest shareholders. Prior to his current role, Mr Wang was the president and founder of Hillroc Capital, a natural resources fund within the Pengxin Mining group. Mr Wang has led or participated in a number of major mining investment projects and has extensive experience in cross-border mergers and acquisitions in the mineral resources industry. Mr Wang holds a Master of Finance from the University of Essex in the United Kingdom.

Board Recommendation

The Board (with Mr Wang abstaining) recommends that Shareholders vote in favour of the election of Mr Wang. The Chair of the Meeting intends to vote undirected proxies in favour of Mr Wang's election.

Resolution 3: Re-Election of Mr Michael Spreadborough as a Director of the Company

Background

In accordance with ASX Listing Rule 14.4 and Rule 58 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. Further, in accordance with the Company's Constitution, at the close of each AGM one-third of the Directors (excluding the Managing Director), or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the AGM are those Directors who have been longest in office since their last election. Mr Michael Spreadborough being eligible, offers himself for re-election.

Mr Spreadborough joined the Board of Clean TeQ Holdings Limited as a Non-Executive Director in December 2016.

Mr Spreadborough is a mining engineer with extensive experience in the development and operation of mineral resources projects spanning a range of commodities including copper, gold, uranium, lead, zinc and iron ore.

Over the past 20 years Mr Spreadborough has held senior executive roles with a number of mining companies including Managing Director of Nusantara Resources, Chief Operating Officer of Sandfire Resources and Inova Resources Ltd (formerly Ivanhoe Australia), General Manager – Coastal Operations for Rio Tinto, General Manager – Mining for WMC and later Vice President – Mining for BHP Billiton at the world-class Olympic Dam mine in South Australia.

Mr Spreadborough holds a Bachelor of Mining Engineering from the University of Queensland and an MBA from Deakin University, as well as a WA First Class Mine Manager's Certificate of Competency. Mr Spreadborough is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).

Board Recommendation

The Board (with Mr Spreadborough abstaining) recommends that Shareholders vote in favour of the re-election of Mr Spreadborough. The Chair of the Meeting intends to vote undirected proxies in favour of Mr Spreadborough's re-election.

Resolution 4: Re-Election of Ms Stefanie Loader as a Director of the Company

Background

In accordance with ASX Listing Rule 14.4 and Rule 58 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. Further, in accordance with the Company's Constitution, at the close of each AGM one-third of the Directors (excluding the Managing Director), or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the AGM are those Directors who have been longest in office since their last election. Ms Stefanie Loader being eligible, offers herself for re-election.

Ms Loader joined the Board of Clean TeQ Holdings Limited as a Non-Executive Director in July 2017.

Stefanie Loader is a mining industry executive with broad international experience having worked in exploration, project evaluation and development, mining and corporate roles across seven countries and four continents. Residing in Central West NSW, Ms Loader was most recently Managing Director of Northparkes Copper and Gold Mine for CMOC International.

A geologist and statistician by training, Ms Loader began her career as an exploration geologist in Western Australia and was then part of the discovery team for the Khanong copper deposit at Sepon in Laos in the late 1990s. After exploration and evaluation roles in the Americas, Ms Loader was assigned to the office of Rio Tinto Chief Executive in London where she then worked on global exploration strategy and prioritisation as Exploration Executive.

Ms Loader was awarded an AICD Australian Government Board Diversity Scholarship and completed the AICD Company Directors Course in 2015.

Board Recommendation

The Board (with Ms Loader abstaining) recommends that Shareholders vote in favour of the re-election of Ms Loader. The Chair of the Meeting intends to vote undirected proxies in favour of Ms Loader's re-election.

Resolution 5: Approval to Issue 348,742 Performance Rights to Mr Sam Riggall

Background

The Company proposes, subject to Shareholder approval, to grant Managing Director and Chief Executive Officer, Mr Sam Riggall up to 348,742 performance rights which, upon vesting, will result in the issue of up to 348,742 fully paid ordinary shares (**Performance Rights**) pursuant to the Company's Employee Incentive Plan (**EIP**) and the Employee Incentive Plan Rules approved by Shareholders in July 2017 (**EIP Rules**). These performance rights were offered to Mr Riggall in January 2019 as part of a grant of performance rights to all employees at that time. The number of performance rights proposed to be granted to Mr Riggall is based on his applicable LTI percentage under the EIP and the ASX volume weighted average price of Clean TeQ Holdings Limited in December 2018 of 39.57 cents per share. Based on an independent valuation, the performance rights were valued at approximately \$102,000 at the time of offer.

Clean TeQ's approach to remuneration is to ensure that remuneration received by Key Management Personnel (**KMP**) is closely linked to the Company's performance and the returns generated for shareholders. Performance-linked compensation includes both short-term and long-term incentives and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The short-term incentive (**STI**) is an "at risk" bonus provided in the form of cash and/or shares, while the long-term incentive (**LTI**) is provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options and performance rights.

Within the established remuneration framework, each employee is assigned a level which reflects the seniority and responsibility associated with their role. This level determines an employees' participation in the STI and LTI, and therefore, the proportion of their total remuneration which is linked to performance. Senior executives of the Company have a higher proportion of their total potential remuneration 'at risk'. The applicable annual incentive plan metrics are detailed below.

Percentage of TFR	Level 1 (CEO)	Level 2	Level 3	Level 4	Level 5
STI – bonus	30%	25%	20%	15%	10%
LTI – performance rights	60%	40%	20%	15%	10%

Total Remuneration Breakdown	Level 1 (CEO)	Level 2	Level 3	Level 4	Level 5
TFR	52%	61%	72%	76%	84%
STI – bonus	16%	15%	14%	12%	8%
LTI – performance rights	32%	24%	14%	12%	8%
Total at risk	48%	39%	28%	24%	16%

The Board considers that the performance-linked compensation structure outlined in the EIP will generate the desired outcome in respect of attracting and retaining high calibre employees and aligning employee performance with shareholder interests.

The provision of Performance Rights to Mr Riggall pursuant to the LTI plan comprises a significant component of his 'at risk' remuneration. These Performance Rights are intended to align Mr Riggall's long term performance over the vesting period with the interests of Shareholders as well as acting as a retention incentive.

The Board has concluded that the remuneration package for Mr Riggall is reasonable and appropriate having regard to the circumstances of the Company and his respective duties and responsibilities as Managing Director and Chief Executive Officer.

Conditions and Hurdles for Performance Rights

Performance Rights	
Vesting Date:	1 January 2022
Vesting Period:	1 January 2019 to 31 December 2021
Vesting Conditions:	The vesting of any of the Performance Rights is dependent on Mr Riggall meeting the Service and Performance Conditions. Collectively these conditions are known as the Vesting Conditions .
Service Condition:	Continuous employment by Mr Riggall in his current position (or equivalent) from Grant Date to Vesting Date. Subject to the EIP Rules, Performance Rights will generally lapse on resignation or dismissal.
Other Conditions:	The other conditions of the Performance Rights are as per the EIP Rules.

Performance Conditions:

Up to 100% of the Performance Rights granted will vest to the extent that the Total Shareholder Return (TSR) for Clean TeQ Holdings Limited (**CLQ TSR**) outperforms the Performance Hurdles over the Performance Period. TSR is defined as the total return of a share to an investor (capital gain plus dividends received). The Volume Weighted Average Prices (**VWAP**) traded on the ASX in the one month preceding the commencement of the Vesting Period compared to the VWAP of shares in the one month preceding the Vesting Date will be used in measuring TSR over the Performance Period.

Performance Hurdle 1: 50% Performance Rights vesting conditional on CLQ's absolute TSR performance

CLQ TSR over measurement period	Percentage of Performance Rights vesting
12.5% pa compounding annually or greater	100%
7.5% pa compounding annually	50%^
Less than 7.5% pa compounding	0%

^ Straight line pro-rata vesting between 7.5% and 12.5%

Performance Hurdle 2: 50% Performance Rights vesting conditional on CLQ's TSR performance compared to the Comparator Peer Group

Clean TeQ performance relative to Peer Group performance	Percentage of Performance Rights vesting
At or above 75th Percentile	100%
At median	50%^
Below median	0%

^^ Straight line pro-rata conversion between the median and 75th percentile performance.

Comparator Peer Group

Independence Group NL (ASX: IGO)	Sandfire Resources (ASX: SFR)
Mineral Resources Limited (ASX: MIN)	Iluka Resources (ASX: ILU)
Galaxy Resources Limited (ASX: GXY)	Global Geoscience (ASX: GSC)
Orocobre Limited (ASX: ORE)	New Century Resource (ASX: NCZ)
Syrah Resources Limited (ASX: SYR)	OZ Minerals (ASX: OZL)
Western Areas Ltd (ASX: WSA)	Lynas Corporation Limited (ASX: LYC)
Pilbara Minerals Limited (ASX: PLS)	Kidman Resources Limited (ASX: KDR)
Metals X Limited (ASX: MLX)	Altura Mining Limited (ASX: AJM)
Magnis Resources Limited (ASX: MNS)	

The Comparator Peer Group, which includes companies from ASX300 Metals and Mining index is selected on the basis that it presents the best fit for Clean TeQ over the coming years and is an established and 'live' index. The Comparator Peer Group is reviewed for each tranche of performance rights to ensure the group maintains ongoing relevance.

Any Performance Rights which fail to vest on the Vesting Date will immediately lapse unless the Nomination, Remuneration & Governance Committee decide exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions. There is no ability to re-test whether or not the Vesting Conditions have been satisfied after the Vesting Period has ended.

ASX Listing Rules

Listing Rule 10.14 requires shareholder approval for the issue of shares to directors under an employee incentive scheme. If the resolution is passed, it will also mean that the grant of Performance Rights to Mr Riggall will not utilise any of the Company's placement capacity under Listing Rule 7.1. No further shareholder approval under Listing Rule 7.1 is required for that purpose.

Listing Rule 10.15A requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14:

- (a) the maximum number of Performance Rights that can be granted under this approval is 348,742 to Mr Riggall. Subject to satisfaction of the Vesting Conditions Mr Riggall will receive one Share in the Company for each Performance Right granted;
- (b) the Performance Rights to be granted to Mr Riggall (and any Shares to be issued on vesting of those Performance Rights) shall be issued for no consideration;
- (c) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Riggall;
- (d) details of any Performance Rights issued under the EIP including that approval for the grant of Performance Rights was obtained under Listing Rule 10.14 will be published in each annual report of the Company relating to the period in which the Performance Rights have been issued.
- (e) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the EIP after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14;
- (f) persons referred to in Listing Rule 10.14 who have received securities under the EIP since the last approval of the Plan on 19 July 2017 are as follows:

Name of Recipient	Number of Securities Received	Acquisition Price of Each Security
Mr Sam Riggall	654,644 Performance Rights	Nil

- (g) only Mr Riggall is entitled to participate in the Plan after Resolution 5 is approved;
- (h) if Shareholder approval is obtained, the Performance Rights will be granted no later than one month after the Meeting; and
- (i) a voting exclusion statement is included in the Notice of General Meeting.

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are:
 - 26,440,247 fully paid ordinary shares;
 - 654,644 unlisted performance rights;
- (b) the dilution effect of the proposed 348,742 Performance Rights is in aggregate of 0.04% of the total Shares on issue as at 17 September 2019.

Board Recommendation

The Board (with Mr Riggall abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution to grant Mr Riggall Performance Rights.

Resolution 6: Approval to Issue 408,117 Performance Rights to Mr Sam Riggall

Background

The Company proposes, subject to Shareholder approval, to grant Managing Director and Chief Executive Officer, Mr Sam Riggall up to 408,117 performance rights which, upon vesting, will result in the issue of up to 408,117 fully paid ordinary shares (**Performance Rights**) pursuant to the Company's Employee Incentive Plan (**EIP**) and the Employee Incentive Plan Rules approved by Shareholders in July 2017 (**EIP Rules**). These performance rights were offered to Mr Riggall in August 2019 as part of a grant of performance rights to all employees at that time. The number of performance rights proposed to be granted to Mr Riggall is based on his applicable LTI percentage under the EIP and the ASX volume weighted average price of Clean TeQ Holdings Limited in June 2019 of 35.01 cents per share. Based on an independent valuation of comparable performance rights, the performance rights were valued at approximately \$120,000 at the time of offer.

Details in relation to the background regarding this proposal, as well as conditions and hurdles for the Performance Rights, are identical to those details set out above in Resolution 4, although the Vesting Period and Comparator Peer Group are different as set out in the table below.

Conditions and Hurdles for Performance Rights

Performance Rights	
Vesting Date:	1 July 2022
Vesting Period:	1 July 2019 to 30 June 2022
Comparator Peer Group	
Altura Mining Limited (ASX: AJM)	New Century Resource (ASX: NCZ)
Galaxy Resources Limited (ASX: GXY)	Nickel Mines Ltd (ASX: NIC)
Global Geoscience (ASX: GSC)	Orocobre Limited (ASX: ORE)
Lynas Corporation Limited (ASX: LYC)	Pilbara Minerals Limited (ASX: PLS)
Magnis Resources Limited (ASX: MNS)	Sandfire Resources (ASX: SFR)
Metals X Limited (ASX: MLX)	Syrah Resources Limited (ASX: SYR)
Mineral Resources Limited (ASX: MIN)	Western Areas Ltd (ASX: WSA)

ASX Listing Rules

Listing Rule 10.14 requires shareholder approval for the issue of shares to directors under an employee incentive scheme. If the resolution is passed, it will also mean that the grant of Performance Rights to Mr Riggall will not utilise any of the Company's placement capacity under Listing Rule 7.1. No further shareholder approval under Listing Rule 7.1 is required for that purpose.

Listing Rule 10.15A requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14:

- the maximum number of Performance Rights that can be granted under this approval is 408,117 to Mr Riggall. Subject to satisfaction of the Vesting Conditions Mr Riggall will receive one Share in the Company for each Performance Right granted;
- the Performance Rights to be granted to Mr Riggall (and any Shares to be issued on vesting of those Performance Rights) shall be issued for no consideration;
- no loan will be made by the Company in relation to the grant of Performance Rights to Mr Riggall;
- details of any Performance Rights issued under the EIP including that approval for the grant of Performance Rights was obtained under Listing Rule 10.14 will be published in each annual report of the Company relating to the period in which the Performance Rights have been issued.

- (e) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the EIP after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14;
- (f) persons referred to in Listing Rule 10.14 who have received securities under the EIP since the last approval of the Plan on 19 July 2017 are as follows:

Name of Recipient	Number of Securities Received	Acquisition Price of Each Security
Mr Sam Riggall	654,644 Performance Rights	Nil

- (g) only Mr Riggall is entitled to participate in the Plan after Resolution 5 is approved;
- (h) if Shareholder approval is obtained, the Performance Rights will be granted no later than one month after the Meeting; and
- (i) a voting exclusion statement is included in the Notice of General Meeting.

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are:
- 26,440,247 fully paid ordinary shares;
 - 654,644 unlisted performance rights;
- (b) the dilution effect of the proposed 408,117 Performance Rights is in aggregate of 0.05% of the total Shares on issue as at 17 September 2019.

Board Recommendation

The Board (with Mr Riggall abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution to grant Mr Riggall Performance Rights.

Resolution 7: Approval to Grant Options to Mr Sam Riggall (or his nominee)

Background

The Company is seeking Shareholder approval for the grant of up to 1,000,000 unlisted options (**Options**) in the Company to Mr Sam Riggall (or his nominee) (being a right to acquire up to 1,000,000 fully paid ordinary shares in the Company subject to satisfaction of relevant vesting conditions) on the terms as described below and pursuant to the Company's Employee Incentive Plan (**EIP**) and the Employee Incentive Plan Rules approved by Shareholders in July 2017 (**EIP Rules**). These Options were offered to Mr Riggall in August 2019 as part of a grant of options to the senior executive team at that time. Based on a Black and Scholes valuation, the Options were valued at approximately \$197,000 at the time of offer.

Clean TeQ's approach to remuneration is to ensure that remuneration received by Key Management Personnel (**KMP**) is closely linked to the Company's performance and the returns generated for shareholders. Performance-linked compensation includes both short-term and long-term incentives and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The short-term incentive (**STI**) is an "at risk" bonus provided in the form of cash and/or shares, while the long-term incentive (**LTI**) is provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options and performance rights.

The Board considers that the performance-linked compensation structure outlined in the EIP will generate the desired outcome in respect of attracting and retaining high calibre employees and aligning employee performance with shareholder interests.

The provision of options to Mr Riggall pursuant to the EIP plan comprises a significant component of his 'at risk' remuneration. These options are intended to align Mr Riggall's long term performance over the vesting period with the interests of Shareholders as well as acting as a retention incentive.

The Board has concluded that the remuneration package for Mr Riggall is reasonable and appropriate having regard to the circumstances of the Company and his respective duties and responsibilities as Managing Director and Chief Executive Officer.

Terms of Options

Each Option will have an exercise price of 53 cents which represents a premium of approximately 46% to the 5-day VWAP at the date of the offer (9 August 2019), expire on 9 August 2023 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company.

Subject to the terms of the EIP Rules, a copy of which is available on the Company's website, the Options will vest in two equal tranches of 500,000 Options on 12 August 2020 and 500,000 Options on 12 August 2021.

The Options shall be issued under and subject to the terms of the EIP Rules.

A summary of the additional terms of this Option issue are set out in Annexure 1 of this Explanatory Statement.

Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless either:

- the giving of the financial benefit falls within one of the exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company.

A "financial benefit" for the purposes of the Corporations Act also has a very wide meaning. It includes a public company paying money or issuing securities to a related party.

Mr Sam Riggall is a related party of the Company due to the fact that he is a Director of the Company. The issue of Options to Mr Sam Riggall constitutes a "financial benefit" as described in the Corporations Act. Accordingly, the proposed issue of Options pursuant to this Resolution will constitute the provision of a financial benefit to a related party of the Company.

The Board has formed the view that the proposed issue of Options to Mr Sam Riggall (or his nominee) does not require Shareholder approval under section 208 of the Corporations Act as the issue constitutes "reasonable remuneration" in accordance with section 211 of the Corporations Act. In reaching this view, the Board considers the proposed issue of Options to Director Mr Sam Riggall is aligned with Shareholder interests. Accordingly, the Board is not seeking Shareholder approval under section 208 of the Corporations Act, although Shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires approval of shareholders before securities can be issued to a related party. If approval is given under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1. Accordingly, shareholders should note that the issue of securities to Mr Sam Riggall will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 on the Options that are proposed to be issued to Mr Sam Riggall:

- (a) the related party is Mr Sam Riggall (or his nominee) and he is related by virtue of being a Director and Chief Executive Officer of the Company;
- (b) the maximum number of Options to be issued in total is 1,000,000;
- (c) each Option will have an exercise price of 53 cents which represents a premium of approximately 46% to the 5-day VWAP at the date of the offer (9 August 2019), expire on 9 August 2023 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company;
- (d) full terms of the Options are set out in the EIP Rules;

- (e) Options will be issued no later than one month after the date of the Meeting;
- (f) the Options will be issued for nil consideration, as such no cash will be raised from the issue of the Options. Funds raised upon exercise of the Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (g) a voting exclusion statement is included in the Notice.

Board Recommendation

The Board (with Mr Sam Riggall abstaining), recommends that Shareholders vote in favour of Resolution 7. The Chairman will vote undirected proxies in favour of Resolution 7.

Resolution 8: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

The Company continues actively seeking to enhance the value of its assets and new investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to either accelerate the work on its current projects, acquire new assets or to meet additional working capital requirements.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being Shares, Unquoted Options and Unquoted Performance Rights.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may be exposed to economic risk and voting dilution, including the following:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the market price of Shares as at 17 September 2019 ("**Current Share Price**") and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at the date of this notice of meeting. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the Current Share Price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.155 50% decrease in Current Share Price	\$0.310 Current Share Price	\$0.620 100% increase in Current Share Price
Current Variable A 746,460,205 Shares	10% Voting Dilution	74,646,021 Shares	74,646,021 Shares	74,646,021 Shares
	Funds raised	\$11,570,133	\$23,140,266	\$46,280,533
50% increase in current Variable A 1,119,690,308 Shares	10% Voting Dilution	111,969,031 Shares	111,969,031 Shares	111,969,031 Shares
	Funds raised	\$17,355,200	\$34,710,400	\$69,420,799
100% increase in current Variable A 1,492,920,410 Shares	10% Voting Dilution	149,292,041 Shares	149,292,041 Shares	149,292,041 Shares
	Funds raised	\$23,140,266	\$46,280,533	\$92,561,065

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No options (including any options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- The Current Share Price is \$0.31 (31 cents), being the closing price of the Shares on ASX on 17 September 2019.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued expenditure on the Company's current business and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new businesses, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new businesses, assets or investments.

- (g) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

Equity Issues over the Last 12 Months – Listing Rule 7.3A.6

For the purposes of Listing Rule 7.3A.6(a), the Company advises as follows:

Number of equity securities on issue at commencement of 12 month period	764,518,615
Equity securities issued in the prior 12 month period*	15,544,239
Percentage of equity securities represent of total number of equity securities on issue at commencement of 12 month period	2.03%

* For full details of the issues of Equity Securities made by the Company in the previous 12 months, see Appendix 1.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

CONTINGENT BUSINESS

Resolution 9: Holding a Spill Meeting

The Corporations Act was amended in June 2011 to introduce the “two-strikes” rule. The two-strikes rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the Remuneration Report, members will have the opportunity to vote on a “spill resolution” (as described below).

At last year’s AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a “first strike”.

If at least 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report at the 2019 AGM this will constitute a second strike and Resolution 9 will be put to the meeting and voted on as required by section 250V of the Corporations Act (the **spill resolution**).

If less than 25% of the votes cast on Resolution 1 are against adopting the remuneration report at the 2017 AGM, then there will be no second strike and Resolution 9 will not be put to the meeting.

If put, the spill resolution will be considered as an ordinary resolution.

If the spill resolution is passed, a further meeting of members must be held within 90 days (the **spill meeting**). Immediately before the end of the spill meeting, each of Robert Friedland, Jiang Zhaobai, Eric Finlayson, Ian Knight, Stefanie Loader and Michael Spreadborough, being the directors (other than the Managing Director Sam Riggall) who approved the last Directors Report cease to hold office (the **Relevant Directors**).

Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting. If the spill resolution is passed, members should note that each of the Relevant Directors intends to stand for re-election at the spill meeting.

The spill resolution has the potential that the entire Board (other than the Managing Director Sam Riggall) is removed from office.

Board Recommendation

The Board recommends that all eligible Shareholders vote against this Resolution. The Chair of the Meeting intends to vote undirected proxies against this Resolution.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“10% Placement Facility” has the meaning as defined in the Explanatory Statement for Resolution 8;

“10% Placement Period” has the meaning as defined in the Explanatory Statement for Resolution 8;

“Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2019;

“Associates” has the meaning given to that term in sections 11 and 13 to 17 (inclusive) of the Corporations Act;

“ASX” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“Auditor’s Report” means the auditor’s report on the Financial Report;

“AEDT” means Australian Eastern Daylight Time.

“Board” means the Directors acting as the board of Directors of the Company;

“Chair” means the person appointed to chair the Meeting of the Company convened by the Notice;

“Closely Related Party” means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

“Company” means Clean TeQ Holdings Limited ACN 127 457 916;

“Constitution” means the constitution of the Company as at the date of the Meeting;

“Corporations Act” means the Corporations Act 2001 (Cth);

“Director” means a Director of the Company;

“Directors Report” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“Equity Security” has the same meaning as in the Listing Rules;

“Explanatory Statement” means the explanatory statement which forms part of the Notice;

“Financial Report” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“Key Management Personnel” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“Listing Rules” means the Listing Rules of the ASX;

“Meeting” has the meaning given in the introductory paragraph of the Notice;

“Notice” means this Notice of Meeting including the Explanatory Statement;

“Proxy Form” means the proxy form attached to the Notice;

“Remuneration Report” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 30 June 2019 and which is set out in the 2019 Annual Report;

“Resolution” means a resolution referred to in the Notice;

“Share” means a fully paid ordinary share in the capital of the Company;

“Shareholder” means shareholder of the Company;

“Trading Day” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“VWAP” means volume weighted average price.

Disclosure Required by Canadian National Instrument 71-102

The Company is a “reporting issuer” subject to the securities laws of certain provinces of Canada, including disclosure requirements relating to proxies, notices of shareholder meetings and disclosure in connection with those meetings. However, the Company currently has the status of a “designated foreign issuer” as such term is defined by Canadian National Instrument 71-102. As such, the Company is exempt from certain requirements otherwise imposed on reporting issuers in Canada, including proxies, notices of shareholder meetings and disclosure in connection with those meetings, provided generally that the Company complies with the relevant foreign disclosure requirements of an approved foreign jurisdiction. The Company is subject to the foreign regulatory requirements of the ASX and the Australian Securities & Investments Commission.

Canadian shareholders are cautioned that the disclosures contained in this Notice of Meeting and Explanatory Statement may not be comparable to what would otherwise be disclosed by reporting issuers that are not designated foreign issuers.

ANNEXURE 1

SUMMARY OF TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options to be granted pursuant to Resolution 7 are set out in the EIP Rules (a copy of which is available on the Company's website) and a summary of them are as follows:

Terms of Options

(a) Entitlement

Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.

Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options' exercise price, exercise date, vesting date and expiry date are as follows:

Proposed resolution	Option recipient/related party	Number of Options	Exercise price	Vesting date	Expiry date
7	Mr Sam Riggall (or his nominee)	500,000	53 cents	12 Aug 2020	9 Aug 2023
		500,000		12 Aug 2021	
TOTAL		1,000,000			

- (ii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iii) Remittances must be made payable to 'Clean TeQ Limited' and cheques should be crossed 'Not Negotiable'.

(c) Lapse of Option

Unless otherwise specified in the Vesting Conditions or determined otherwise by the Plan Committee an Option or Right lapses on the earlier of:

- (i) the date on which any Vesting Condition applicable to the Option or Right is not capable of being satisfied, reached or met in accordance with its terms;
- (ii) the Plan Committee determining that a Vesting Condition applicable to the Option or Right is not capable of being satisfied, reached or met in accordance with its terms;
- (iii) the day immediately following the Last Exercise Date;
- (iv) the Option or Right lapsing in accordance with Rule 19;
- (v) the Option or Right lapsing in accordance with Rule 20;
- (vi) the Option or Right lapsing in accordance with Rule 21;
- (vii) the Option or Right lapsing in accordance with Rule 23; or
- (viii) unless the Plan Committee determines otherwise:
 - a. the Participant purporting to Deal in the Option or Right in breach of Rule 16.2, other than as permitted under these Rules; or
 - b. the Participant purporting to enter into any arrangement in respect of the Option or Right in breach of Rule 16.3.

(d) Quotation

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(e) Participation in Securities Issues

Subject to paragraph (f) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(f) Participation in a Reorganisation of Capital

If there is a reorganisation of capital of the Company (whether before or during the Exercise Period) then the rights of a Participant (including the number of Options or Rights to which each Participant is entitled and the Exercise Price, if any) are amended in accordance with the Listing Rules or as would be required by the Listing Rules if the Company was subject to the Listing Rules at the time of the reorganisation.

(g) Adjustments to Options and Exercise Price

Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.

The method of adjustment for the purpose of paragraph (g) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

(h) Change of Control

If:

- (i) a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder becomes entitled to compulsorily acquire all of the shares, any Options not exercised by the end of the bid period shall lapse; or
- (ii) a court approves a scheme of arrangement in relation to the Company, which has been approved by a resolution passed by the requisite majorities of the Company's shareholders, the effect of which is that a person will have a relevant interest in at least 90% of the ordinary shares of the Company, any Options not exercised within 2 business days after the court order approving the scheme will automatically lapse.

(i) Transferability of Options

The Options are not transferable.

Appendix 1

CASH ISSUES									
Date	Number of Securities	Security Type	Terms	Description	Party or Basis	Price	Discount	Total Consideration	Use of Consideration
22 Nov 2018	750,000	Fully paid ordinary shares	Fully paid ordinary shares	Conversion of unlisted options exercisable at \$0.2712 (27.12 cents) per option	Mr Eric Finlayson, Non-Executive Director of the Company	\$0.2712	N/A	\$203,400	Ongoing working capital commitments.
Total	750,000						Total	\$203,400	
NON-CASH ISSUES									
23 Nov 2018	78,192	Fully paid ordinary shares	Fully paid ordinary shares	Issue of fully paid ordinary shares in accordance with the terms and conditions of the Company's Short-Term Incentive Plan	Mr Sam Riggall, Managing Director of the Company	Deemed Issue Price \$0.4100	N/A	Deemed Consideration \$32,059	Issue of fully paid ordinary shares to the Managing Director of the Company in accordance with Resolution 7 as approved by shareholders at the Company's 2018 Annual General Meeting.
23 Nov 2018	100,757	Unquoted performance rights	Unquoted performance rights	Issue of performance rights to the Managing Director in accordance with Resolution 5 as approved by shareholders at the Company's 2018 Annual General Meeting	Mr Sam Riggall, Managing Director of the Company	Nil	N/A	N/A	N/A
23 Nov 2018	142,341	Unquoted performance rights	Unquoted performance rights	Issue of performance rights to the Managing Director in accordance with Resolution 6 as approved by shareholders at the Company's 2018 Annual General Meeting	Mr Sam Riggall, Managing Director of the Company	Nil	N/A	N/A	N/A
30 Nov 2018	81,092	Fully paid ordinary shares	Fully paid ordinary shares	Conversion of unlisted options exercisable at \$0.2712 (27.12 cents) per option	Employee of the Company	Deemed Issue Price \$0.02712	N/A	Deemed Consideration \$21,992	Conversion of unlisted options to an employee pursuant to the Company's cashless exercise facility.
8 February 2019	2,761,851	Unquoted performance rights	Unquoted performance rights	Issue of performance rights to eligible employees as part of the Company's Employee Incentive Plan, as approved by shareholders on 19 July 2017	Eligible Employees of the Company	Nil	N/A	N/A	N/A
3 May 2019	134,173	Fully paid ordinary shares	Fully paid ordinary shares	Conversion of unlisted options exercisable at \$0.2820 (28.20 cents) per option	Employee of the Company	Deemed Issue Price \$0.2820	N/A	Deemed Consideration \$37,837	Conversion of unlisted options to an employee pursuant to the Company's cashless exercise facility.

NON-CASH ISSUES									
16 August 2019	3,495,833	Unquoted performance rights	Unquoted performance rights	Issue of performance rights to eligible employees as part of the Company's Employee Incentive Plan, as approved by shareholders on 19 July 2017.	Eligible Employees of the Company	Nil	N/A	N/A	N/A
16 August 2019	8,000,000	Unquoted options	Unquoted options	Issue of options to eligible employees as part of the Company's Employee Incentive Plan, as approved by shareholders on 19 July 2017.	Eligible Employees of the Company	Nil	N/A	N/A	N/A
Total	15,544,239						Total	\$91,888	
Grand total	16,294,239						Grand total	\$295,288	





ABN 34 127 457 916

CLQ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00am (AEDT) Tuesday 29 October 2019.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Clean TeQ Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Clean TeQ Holdings Limited to be held at RACV Club, Level 2, 501 Bourke Street, Melbourne Victoria 3000 on Thursday, 31 October 2019 at 10.00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 9 where the Chairman of the Meeting intends to vote against.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6, 7 and 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business	For	Against	Abstain		For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Approval to Issue 408,117 Performance Rights to Mr Sam Riggall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Mr Shawn Wang as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Approval to Grant Options to Mr Sam Riggall (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Michael Spreadborough as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Special Business			
Resolution 4 Re-election of Ms Stefanie Loader as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to Issue 348,742 Performance Rights to Mr Sam Riggall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contingent Business			
				Resolution 9 Holding a Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 9 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

