

13 January 2021

\$35 Million Capital Raising Completed

Melbourne, Australia – Clean TeQ Holdings Limited ('Clean TeQ' or 'Company') (CLQ:ASX & CTEQF:OTCQX) advises that further to the announcement on 25 November 2020, the Company has now successfully completed its Share Purchase Plan ('SPP') with subscriptions received from eligible shareholders totalling 51.7 million shares at an issue price of \$0.25 per share to raise proceeds of A\$12.9 million. The new SPP shares are expected to be issued and an application for quotation on ASX lodged on 19 January 2021, with holding statements to be despatched by the end of January 2021¹.

The Company has now also settled the private placements which were approved by shareholders at the general meeting on 8 January 2021. The two placements of 12 million shares at an issue price of \$0.25 per share to raise proceeds of \$3 million each were made to Co-Chairman and Non-Executive Director Mr Robert Friedland and Pengxin International Group Limited, an entity associated with Mr Jiang Zhaobai, Co-Chairman and Non-Executive Director.

The SPP, the placements to the Co-Chairmen and the placement to institutional and sophisticated investors announced on 25 November 2020 and 2 December 2020 represent a total equity raising of approximately A\$35 million.

The proceeds raised are to be used as follows:

- Funding for the ongoing development and growth of our water purification business, including provision of initial working capital for its proposed spin out into a new stand-alone entity;
- Progressing our work in the research and development of graphene oxide membranes as part of the NematIQ joint venture;
- Permitting, land access, environmental monitoring and long-lead activities at our Sunrise Battery Materials Complex, while we continue to pursue a financing package for the project;

¹ This timetable is indicative only, and subject to change. Clean TeQ reserves the right to alter the above dates at its discretion, subject to the ASX Listing Rules and the Corporations Act.

- Mineral exploration activities at our suite of tenements including the Phoenix Platinum Zone beneath the Sunrise laterite and the Minore Project near Dubbo, NSW; and,
- General corporate and working capital.

As per the ASX announcement of 14 September 2020, the Company is considering a separation of its water division from the remainder of its business, comprising the Sunrise Project and the Company's other mineral exploration activities in New South Wales.

Establishing stand-alone, separately listed, entities will allow shareholders to more readily manage their own desired exposure to each of the businesses, as well as simplifying the investment proposition to new investors.

In the case of Sunrise, it also provides an opportunity to pursue investment and funding structures within a corporate vehicle comprising an asset suite focused exclusively on battery materials.

The Company has commenced a formal review of a potential demerger, for consideration by the Board, which will provide a recommendation to shareholders in due course. The review will consider taxation, structuring and other regulatory implications.

Preliminary advice indicates that any demerger is likely to be optimised by undertaking a spin out of the Water Business into a new entity ('Newco') by way of a capital return comprising a pro-rata in-specie distribution of shares in Newco to Clean TeQ shareholders. The Company is progressing the review which is expected to conclude in Q1 of CY 2021.

The Company is also progressing a six-hole diamond core drill program at the Sunrise Project, targeting platinum group metals. Assays results from first three holes are expected in January 2021.

Additional Information: Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

For more information, please contact:

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This announcement is authorised for release to the market by the Board of Directors of Clean TeQ Holdings Limited.

About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Australia, Clean TeQ is a global leader in metals recovery and industrial water treatment through the application of its proprietary Clean-iX[®] continuous ion exchange technology. For more information about Clean TeQ please visit the Company's website www.cleanteq.com.

About the Clean TeQ Sunrise Project – Clean TeQ is the 100% owner of the Clean TeQ Sunrise Project, located in New South Wales. Clean TeQ Sunrise is one of the largest cobalt deposits outside of Africa, and one of the largest and highest-grade accumulations of scandium ever discovered.

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 and 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.