

22 February 2021

## Shareholder Meeting in Preparation for Demerger of Water Business

MELBOURNE, Australia – Co-Chairman, Robert Friedland, and CEO, Sam Riggall, of Clean TeQ Holdings Limited ('Clean TeQ' or 'Company') (ASX:CLQ; OTCQX:CTEQF) are pleased to provide the following update in relation to the proposed demerger of Clean TeQ's Water Business.

The Company announced on 14 September 2020 that it had initiated a review to consider the 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.

Following completion of that review, the Directors have determined that they intend to formally recommend to shareholders that the demerger of the water business proceeds. The Company is currently progressing a range of activities in anticipation of seeking shareholder approval for the demerger at a meeting to be scheduled in Q2 CY2021 with a target demerger implementation date of Q2 CY2021<sup>1</sup>. Grant Samuel has been retained by the Company as corporate advisor for the demerger.

The demerger is proposed to be undertaken via 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.

Clean TeQ's Water Business is focused on the design, procurement, construction and operation of tailored water purification and recycling solutions in the mining, municipal and agri-food sectors. It also undertakes significant research and development into new water treatment technologies, including BIOCLENS, and through the Company's interest in the NematIQ joint venture, which is pursuing the development of graphene oxide membranes for water purification.

Over the past 18 months Clean TeQ Water has demonstrated the efficacy of its proprietary technologies at projects in Oman, Australia and the DRC and is now well positioned to secure and grow a healthy pipeline of new work. With design,

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<sup>1</sup> 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.

engineering and manufacturing facilities located in Australia and China, it is well positioned to capitalise on a rapidly growing water treatment market.

This success provides Clean TeQ with the opportunity to consider 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 using a corporate vehicle comprising an asset suite focused exclusively on energy materials.

The Company has today announced that a shareholder meeting will be held on 24 March 2021 to consider a number of resolutions, a number of which will help facilitate the proposed demerger, including the adoption of a new company constitution and a change in the Company name to 'Sunrise Energy Metals Limited' to better reflect the focus of the Company post-demerger, as well as freeing up the 'Clean TeQ' name so it may be retained by the Water Business.

A separate shareholder meeting will be held at a later date to seek approval for the proposed demerger, with an explanatory memorandum setting out detailed information on the proposed demerger to be provided to shareholders in advance of that meeting.

**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<sup>®</sup> continuous ion exchange technology. For more information about Clean TeQ please visit the Company's website [www.cleanteq.com](http://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](http://www.cleanteqwater.com).