

31 August 2017

Binding Offtake Agreement signed with Beijing Easpring

Highlights:

- **Binding five-year offtake agreement for 20% of cobalt and nickel sulphate production from Clean TeQ's Syerston Project, a vital input in cathode material for lithium ion batteries**
- **Offtake agreement term to convert to life-of-mine supply with direct investment by Beijing Easpring in Clean TeQ's Syerston Project - discussions are ongoing**
- **Parties to investigate the potential for a partnership in downstream precursor and possibly battery cathode production at Syerston**

Mr Robert Friedland and Mr Jiang Zhaobai, Co-Chairmen of Clean TeQ Holdings Limited (**Clean TeQ** or **Company**) (CLQ:ASX; CTEQF:OTCQX), today announced the signing of a binding offtake agreement with Beijing Easpring Material Technology Co Ltd (**Easpring**) for the supply of hydrated cobalt sulphate and nickel sulphate products from the Syerston Cobalt – Nickel – Scandium Project (**Project**) in central New South Wales.

Key terms of the offtake agreement include:

- A binding agreement for the purchase of annual tonnages representing approximately 20% of Syerston's planned production of cobalt sulphate ($\text{CoSO}_4 \cdot 7\text{H}_2\text{O}$) and nickel sulphate ($\text{NiSO}_4 \cdot 6\text{H}_2\text{O}$).
- The agreement term is for an initial five-year period, commencing from the start of commercial production at Syerston.
- Pricing is linked directly to LME and LMB quoted metal pricing for nickel and cobalt respectively, with sulphate premia to be agreed quarterly based on the prevailing market pricing.

- The agreement will convert to a life-of-mine offtake in the event Easpring acquires a minimum 25% interest in the Project, on terms to be agreed.
- The parties will evaluate potential co-location of precursor and/or cathode manufacture as an integrated part of the development of Syerston.

Founded in 2001, Easpring is one of the world's largest producers of high quality cathode material for the lithium ion battery industry. It services both Chinese and international markets with its products.

Easpring produces nickel-cobalt-manganese (NCM) and lithium cobalt oxide (LCO) cathode chemistries. Its clients include major lithium-ion battery makers such as Samsung SDI, LG Chemical, Sony, Lishen and CATL. Based in Beijing and listed on the Shenzhen stock exchange (300073:CH) with a market capitalization of approximately US\$1.4 billion, Easpring is one of the world's preeminent cathode companies, with a reputation for high-quality products and rapid innovation. As the first and largest producer in China of NCM622 cathode, Easpring is well-placed to meet growing demand for high energy density cathode materials for the EV and ESS industries.



Clean TeQ Managing Director, Mr Sam Riggall with Easpring Director and CEO Mr Li Jianzhong

Easpring's major (27%) shareholder is state owned Beijing Institute of Mining and Metallurgy¹ (BGRIMM), one of China's leading design and engineering institutes for the mining industry.

Easpring² is one of the first companies established under SASAC³ (China's State-owned Assets Supervision and Administration Commission of the State Council), a council set up to encourage cooperation between China's state-owned enterprises and industry.

Managing Director Mr Sam Riggall commented, *"This offtake agreement is an important first step in what we believe will be a long-term partnership with Beijing Easpring. We look forward to working with Beijing Easpring and BGRIMM to make Syerston one of the leading global suppliers of the new materials of battery-grade cobalt and nickel to the lithium ion battery industry."*

"We are also excited by the potential for a second phase, which might include opportunities for precursor and cathode production located at Syerston in Central NSW. We have large ambitions – by creating investment in high-tech industries in regional Australia, we will help bring about positive change, create opportunities for the broader community and ultimately reduce the environmental burden by supporting the shift to electric vehicles right here in Australia."

Mr Li, Director and CEO of Beijing Easpring stated, *"The demand for lithium ion batteries is growing rapidly due to the world-wide shift towards electric vehicles. The partnership with Clean TeQ for the supply of these critical raw materials is an important part of Beijing Easpring's strategy to ensure that we remain a leading supplier of cathode to the global battery industry."*

Potential investment and collaboration discussions with Easpring will continue. The Definitive Feasibility Study (DFS) is scheduled for completion in Q4, 2017.

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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.

¹ For more information on BGRIMM, please visit <http://english.bgrimm.com/index.htm>

² For more information on Easpring, please visit <http://www.easpring.com.cn/>

³ For more information on SASAC, please visit <http://en.sasac.gov.cn/index.html>

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

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