

CLEAN TEQ SYERSTON COMMUNITY NEWSLETTER

**ISSUE 1
OCTOBER 2017**

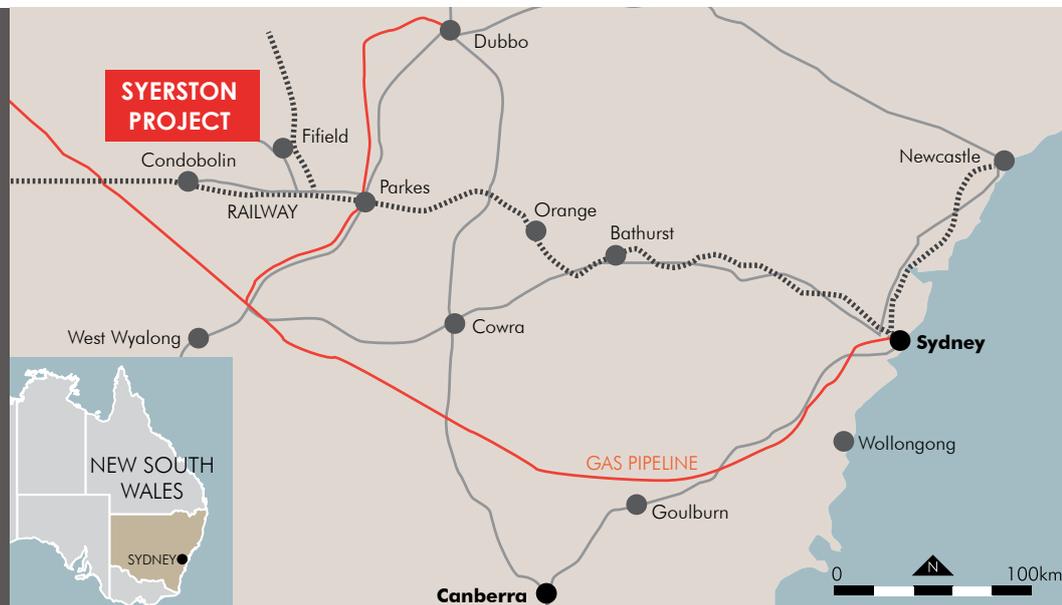
**CLEAN
TEQ**
Powering innovation

WELCOME

Welcome to our first community newsletter about the Clean TeQ Syerston Project. In this edition, you'll be able to read about the Project, how we're progressing and ways you can get more information. We look forward to keeping you regularly updated.

PROJECT OVERVIEW

The Syerston deposit is in the Fifield district, about 350 kilometres north-west of Sydney in central New South Wales.



The closest community is Fifield, which is just over four kilometres from the Project site. The Project is well supported by major centres with the mining communities of Condobolin, Parkes and Dubbo within 100 kilometres of the Project area.

Before Clean TeQ owned Syerston, the site was the subject of extensive study from previous owners. Feasibility studies were completed and development approval and consent granted by the New South Wales government.

The Project did not proceed at that time for economic reasons. Since then, the market has evolved and today there is high demand for the products Syerston can produce. This demand is largely due to the growth of the electric vehicle market, which relies on lithium-ion batteries.

We are working hard to finalise our plans to develop this fully approved project and become a major supplier of new materials vital to the global energy storage and transport markets.

WHAT IS THE CLEAN TEQ SYERSTON PROJECT?

The Clean TeQ Syerston Project is a valuable and important resource for several reasons. It is one of the highest-grade and largest undeveloped nickel and cobalt deposits outside of Africa. It is also one of the largest and highest-grade scandium deposits in the world.

As part of a Definitive Feasibility Study, we are finalising plans to mine and process ore from Syerston to produce high-purity nickel sulphate, cobalt sulphate and scandium oxide.

These new materials will supply the rapidly growing global lithium-ion battery industry, and service the transport sector's need for lighter and stronger aluminium alloys.

The emerging revolution in transportation technologies – especially the electric vehicle - is driving demand for these new materials.

The Project has been granted development consent by the NSW Department of Planning and Environment. The consent was supported by a comprehensive Environmental Impact Statement.



PROJECT AREA

The mine and processing facility together span around 2,200 hectares. Within this, the mineral deposit is approximately two kilometres in length, north to south, and runs three kilometres from east to west.

Five mining lease applications cover 2,853 hectares of land to allow for mining and processing and all other activities associated with the Project. In addition, Clean TeQ owns the freehold land where the mine and processing facility will be located.

The current approved Project incorporates the mining operations, processing facility, limestone quarry (including processing), rail siding, borefields, water pipeline and gas pipeline.

TRANSPORT

Products will be transported from the mine via road to a rail siding and then by rail to a suitable port.

A combination of road and rail will be used to transport consumables for mining and processing.

We will make sure the appropriate routes, systems, plans and procedures are in place to ensure the safe transportation and handling of all products and materials.

WORKING TOGETHER

We understand that Syerston's neighbours, nearby landholders and local communities may be affected by the construction and mining activity, or have concerns about what is proposed.

Clean TeQ is committed to working with all stakeholders to ensure open, regular, two-way communication. Togetherness is one of our five values and is of great importance to us. We are committed to developing the Syerston Project in a safe, sustainable way, with mutual benefits, opportunities and growth.

EMPLOYMENT

A workforce of around 1,000 people will be needed for construction. The Definitive Feasibility Study will detail how many employees will be required to operate the mine. We will share information about employment opportunities once we reach that point in the Project development.

MINING AND PROCESSING

The ore is close to the ground's surface so a simple shallow, open-pit strip mining process will be used. There will be minimal grinding and beneficiation.

Current plans are to process up to 2.5 million tonnes per annum of ore over an initial 20-year period, however the Reserves indicate a mine life of more than 30 years.

We have approval to produce 40,000 tonnes each year of cobalt-nickel metal equivalents (as sulphate products) and 180 tonnes of scandium.

A processing plant will be built for the leaching, concentrating, precipitation, extraction and product packaging processes. Nearby, a tailings storage facility will safely and securely store residue, while evaporation ponds and an evaporation surge dam will recycle and recover water.

PROJECT STATUS

Syerston has been known and studied extensively since the 1980s. This has provided us with important information about the resource and its potential.

Over the last year, we have done a lot of work to assess the viability of the Project. We have:

- progressed it through feasibility studies
- entered into several key strategic partnerships
- made considerable progress in testing and refining our proprietary processes. These will allow us to produce high-purity nickel and cobalt sulphate to meet the specifications of our prospective customers.

Critical processing equipment has been purchased, our pilot plant has processed materials and samples have been dispatched to potential customers for testing and analysis. Product certification is progressing well.

The Definitive Feasibility Study is on track for completion by the end of 2017.

STRONG PROGRESS TOWARDS DEVELOPMENT

October 2016:
Completed Pre-Feasibility Study with positive findings.

November 2016:
Started the Definitive Feasibility Study. Remains on track for completion in Q4 2017.

February 2017:
Strategic partnership and A\$81m placement with Pengxin Mining.

June - July 2017:
Clean TeQ's Resin-in-Pulp (RiP®) pilot plant processed 20 tonnes of Syerston ore. Test work data will feed into the Definitive Feasibility Study. Samples provided for customer testing and validation.

'Active community involvement is an essential part of our Project.'



KEEP AN EYE OUT FOR US in the community supporting some of the great events in the area, such as the recent Shows and Trundle Bush Tucker Day.

APPROVALS

Our current plan is to start early works in the second quarter of 2018, with a final investment decision expected in mid-2018.

There is a significant amount of work still to be done to finalise the Definitive Feasibility Study, which will then inform discussions with potential investors and financial institutions. The Project requires a sizable capital investment.

We are finalising a modification to our Development Consent, which we call MOD4. It will be lodged later this year and the NSW Department of Planning and Environment will invite public submissions.

Several important assessments will inform MOD4 and help us answer your questions. They include:

- Preliminary Hazard Analysis
- Noise and Blasting Assessment
- Air Quality Assessment
- Water Management Assessment
- Aboriginal Cultural Heritage Assessment
- Biodiversity Surveys
- Road Transport Assessment.

We will develop management plans specifically to address potential impacts during the construction period, such as air quality, water, noise and roads.

July 2017:
Purchased autoclaves for Syerston Project.

August 2017:
Entered into an agreement with Beijing Easpring to acquire, as a customer, 20 per cent of Syerston's production.

October 2017:
Established Community Consultative Committee.

Q4, 2017:
Finalise the Definitive Feasibility Study and submit MOD4.

Q2, 2018:
Commence construction.



COMMUNITY FEEDBACK

In accordance with NSW Department of Planning and Environment guidelines, a Community Consultative Committee (CCC) has been established and will be a reference point for all community to provide feedback and raise any concerns about the Project and its development.

The CCC will seek input regularly to help ensure community viewpoints are provided to Clean TeQ for consideration in Project plans.



DID YOU KNOW?

We have secured our first customer for Clean TeQ Syerston – Beijing Easpring, one of the world’s largest producers of high quality cathode material for lithium-ion batteries.

Easpring has committed to a binding five-year offtake agreement for 20 per cent of cobalt and nickel sulphate production. We are talking to them about the possibility of extending this agreement to a life-of-mine supply.



MORE INFORMATION & STAYING IN TOUCH

Register to receive our community newsletter. Please get in touch with Karen or Briony and provide your email and/or postal address depending on whether you'd like to receive a hard copy or electronic version.

Attend a community information session. These will be run from time to time, as required, to advise communities as the Project progresses. Dates will be provided prior to any event.

Visit the Clean TeQ website
www.cleanteq.com

POP IN 2

A CLEAN TEQ
COMMUNITY SHOPFRONT

COMING SOON:

Clean TeQ will also develop and distribute a range of information sheets on topics of interest as the Project progresses to help our community learn about Clean TeQ Syerston.

We also plan to open a shopfront in Tullamore. We'll keep you posted.



CONDOBOLIN

59 Bathurst Street
Wednesday: 9am - 12pm
Thursday: 9am - 12pm

Karen Worthington
COMMUNITY RELATIONS
OFFICER

kworthington@cleanteq.com



TRUNDLE

5/22 Forbes Street
Tuesday: 9am - 12pm

Briony Ferguson
COMMUNITY RELATIONS
OFFICER

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NEW SOUTH WALES

James Fisher
NSW MANAGER

jfisher@cleanteq.com

Our NSW Manager, James Fisher, is also on the ground. James is a member of our Project team and responsible for early site works.