

SUNRISE

Welcome to your Clean TeQ Sunrise community newsletter



I am pleased to report we are continuing to make significant progress towards developing Clean TeQ Sunrise, a world-class nickel cobalt scandium Project near Fifield. Since our last community newsletter in March, we've completed our Definitive Feasibility Study (DFS), an important milestone in the life of the Project. We've also raised \$150 million to support early engineering and planning for commencing works on site; and again tested our processing techniques at our pilot plant in Perth. Locally, we've conducted a bore census, hosted community information sessions around the region and welcomed three Federal Government MPs to the Project site.



The results from the DFS confirmed Clean TeQ Sunrise's status as a globally significant cobalt, nickel and scandium resource.

Once developed, Clean TeQ Sunrise will become a major source of raw materials critical to the production of lithium-ion batteries. As these are essential for the manufacturing of electric vehicles and the development of sophisticated battery storage solutions, Clean TeQ Sunrise and Central West NSW are set to play a key part in the clean energy revolution.

We are determined that this modern and sustainable mining operation will deliver a strong community dividend. A great part of this will be through delivering jobs as well as economic and social development for the area.

In June, we hosted community information sessions to give people the opportunity to learn more about Clean TeQ Sunrise and find out how they might get involved, should they wish. 320 people attended information sessions in Condobolin, Forbes, Trundle and Parkes - which was a

fantastic turn-out during a particularly cold winter's week. If you are interested in employment or business opportunities, please visit our website for more information.

In July, we were honoured to have the opportunity to relay this information first-hand to a federal government delegation who toured the Clean TeQ Sunrise site.

The Hon. Mark Coulton MP, Member for Parkes, the Hon. Michael McCormack, Deputy Prime Minister and Member for Riverina and Senator the Hon. Matthew Canavan, Minister for Resources and Northern Australia, spent a large part of a day with us. The Mayors of the Shires of Lachlan, Parkes and Forbes joined the group for lunch.

The visit was a great opportunity to talk to our elected representatives about how Clean TeQ Sunrise will help fuel the next global industrial shift and, more broadly, how Australia can grow the supply of critical minerals as we globally transition to a greener economy.

You may have seen advertisements we've recently run in local newspapers in Condobolin, Forbes and Parkes. Whether it be through local press, online, or in-person at community events we are committed to actively engaging with local communities in Central West NSW.

We hope you enjoy this edition of our newsletter. Inside you can read about the work we've been conducting at our pilot plant in Perth. There's also more information about the DFS, our recent shareholder meeting in Condobolin, our community consultation work and the exciting project Clean TeQ Water is undertaking in Oman.

We look forward to keeping in touch over the coming months, especially at the region's Agricultural Shows. Members of our NSW team will be at each show, so please stop to say hello or have a chat.

Sam Riggall
Chief Executive Officer

Catching up with our local shareholders

Did you know Clean TeQ is an Australian listed company?

We are proud to have Clean TeQ shareholders who live in the region. Given most of our shareholder events are held in Melbourne, our Chief Financial Officer (CFO) – Ben Stockdale – wanted to give local shareholders the opportunity to attend a shareholder meeting without having to travel.

On 30 May, Clean TeQ held a shareholder meeting in Condobolin. Ben updated attendees on the company's operations, our proprietary lithium-ion exchange technology and the work being done to deliver Clean TeQ Sunrise.

He also outlined demand for lithium-ion batteries. With Clean TeQ Sunrise set to produce nickel sulphate and cobalt sulphate, the critical raw materials required for the manufacturing of lithium-ion batteries, there is significant interest in how this market is tracking. Forecasts for the demand for lithium-ion batteries vary but even the most conservative estimates predict rapid growth over the next ten years. Much of the current acceleration in demand for lithium-ion batteries is resulting from the growth of the electric vehicle market.

A big thank you to everyone who attended the evening, as well as Lisa Elias from Condobolin who expertly catered the event.



Engaging with our community

During a very cold week in July we hosted evening community information sessions to provide residents with the opportunity to learn more about Clean TeQ Sunrise and the opportunities it presents. Information sessions were held in Condobolin, Forbes, Trundle and Parkes. 320 people attended across the four evenings – which was a fantastic turn-out. Thank you to everyone who made it along. If you are interested in employment or business opportunities, please visit our website for more information.

Over the last couple of months, we have continued to meet with people across the region to answer questions and provide information.

We've held community drop-in sessions in Fifield, Trundle, Parkes and Forbes, which were advertised in local newspapers, school newsletters and on Facebook. We've also met with farmers around our borefields, Lachlan Valley Water, the Parkes and Condobolin Chambers of Commerce and our near-neighbours. If you are interested in talking to us, keep an eye on the local papers and our Facebook page for future sessions.

Bottom (from L to R): Karen Worthington (Community Relations Officer), Justine Fisher (GM Government, External Relations & Community), Rae Wyatt (GM Human Resources), James Fisher (NSW Manager) and Mick Hanlon (Service Coordinator / Technical Manager).



We're coming to a show near you!

If you're heading to one of the upcoming local agricultural shows, make sure you keep an eye out for the Clean TeQ Sunrise NSW team.

Please drop by to say hello and find out more about our plans. We'll have people on hand to chat about future employment and business opportunities, provide a general project update and discuss what Clean TeQ Sunrise means for the Central West region.

We're pleased to be sponsoring all the shows, including events at Condobolin and Trundle. Come and join us for the red-hot talent on display in the Clean TeQ Young Ag Challenge at the Condobolin Show, or watch the dogs compete in the inaugural Clean TeQ Dog Jump at the Trundle Show.

Piloting Clean TeQ Sunrise ore

In any mining operation it is important to conduct test work before you're up and running. That's why, during July, we fired up our pilot plant in Perth again.

The purpose of this pilot plant run was to confirm some of our operational parameters and build on the extensive test work already completed for Clean TeQ Sunrise.

Running the plant has been highly beneficial in testing our metal extraction and recovery processes and ensuring they are optimised before we construct Clean TeQ Sunrise. The team also used the opportunity to confirm design parameters, assist with detailed engineering and test the performance of all materials and supplies.

"The pilot plant has ticked all our boxes," says Stephen Grocott, Clean TeQ's Chief Technical Development Officer. "It has proven the robustness and efficiency of the Clean TeQ technology. It has also provided a really good training opportunity for our metallurgists and engineers who will be running Clean TeQ Sunrise."

The pilot plant has presented a great opportunity for Clean TeQ staff and visitors to see the Clean TeQ's Clean-iX® technology in action.



Top: The Perth pilot plant.

Bottom: Operational Readiness Engineer, Tom Alford.

Our CCC meets again

The Clean TeQ Community Consultative Committee (CCC) provides a forum for discussion between the company and representatives of the local community, stakeholder groups and local councils. These focus on issues directly relating to activities associated with Clean TeQ Sunrise.

Our CCC is chaired by Lisa Andrews, an independent Chairperson appointed by the NSW Department of Planning and Environment.

The fourth meeting of the CCC was held in Condobolin on 30 May. The CCC was pleased to welcome Dennis Brady as the new representative from the Condobolin Chamber of Commerce. During the meeting, the Committee received a comprehensive Project update from Ben Stockdale, Clean TeQ's CFO.

This included information on the schedule for Clean TeQ Sunrise, Project financing and Clean TeQ Sunrise's processing operations.

Justine Fisher, Clean TeQ's GM of Government, External Relations and Community provided an update on stakeholder engagement and community activities including employment and procurement statistics.

Members of the committee were also provided with an update from James Fisher, NSW Manger and John Hanrahan, Clean TeQ's Approvals Lead.

Minutes and presentation slides from the meeting can be found on Clean TeQ's website -

www.cleanteq.com/sunrise-project/community-consultative-committee/



Top (from L to R): Helen Quade, James Fisher, John Lagerlow, Barbara Newton, Des Ward, Narelle Sunderland, Steve Kataitiana, Tenille Dunn, Dennis Brady, Lisa Andrews, Mark Hall, Justine Fisher, Alan Ward, Karen Worthington and Geoff Rice.

Supporting the Forbes Mega Farm Rescue

With the drought hitting the Forbes community, Kim Lowe of K & H Interiors and Design wanted to do something to help.

She decided to get in contact with Rural Aid and the idea for the Forbes Mega Farm Rescue was born. This ambitious project aims to provide help to 10 farming families in the Forbes district over the week of October 14 - 20.

As a project of this size needs considerable resources and funding, Kim landed on the idea of holding an auction in Forbes.

Conducted on August 10 by Forbes Livestock & Agency Co., the auction was very successful. Local and other businesses donated over \$100,000 worth of goods to either go under the hammer, or directly to the Mega Farm Rescue effort.

Clean TeQ was delighted to be represented on the night by two of our NSW team members who purchased a \$500 Woolworths voucher with a successful bid of \$1000. We plan to donate this voucher to Forbes Schools that participate in the Breakfast Club program. This is a fantastic initiative that makes sure students enjoy a healthy start to the day.

We look forward to hearing all about the result of the Mega Farm Rescue in October.

For further information about Farm Rescue head to www.farmrescue.com.au



Top: Forbes Livestock & Agency Co. carried out a great auction.

Our 'mine of the future'

On Tuesday 17 July, Clean TeQ's CEO – Sam Riggall – welcomed three Federal Members of Parliament to the site of Clean TeQ Sunrise.

Visitors to the Project area included the Hon. Mark Coulton MP, Member for Parkes; the Hon. Michael McCormack MP, Deputy Prime Minister and Member for Riverina; and Senator the Hon. Senator Matthew Canavan, Minister for Resources and Northern Australia. The Mayors and General Managers of Lachlan, Forbes and Parkes Shires joined the group for lunch.

Our guests enjoyed a tour of the mining lease and were briefed on the key elements of the Project. This included an explanation of the mine plan, the identification of key onsite locations including the mining area, the site of the processing plant, tailings storage facility, and the construction camp.

We were very pleased to hear our guests speak enthusiastically about the Project and

acknowledge its importance – for both Australia and the global market.

The Hon. Mark Coulton MP said the Project will also provide a jobs boost to the region. "At its peak this Project is expected to employ a construction workforce of around 1,000 people and an ongoing workforce of 300 people. Local businesses will also benefit as suppliers of goods and services," Mr Coulton said.

Deputy Prime-Minister, the Hon. Michael McCormack MP said, the Project was of international significance. "This project will firmly establish Australia as a reliable and high-grade supplier of materials that will help to drive the ever-increasing number of electric cars on roads around the world," he said.

The Hon. Mark Coulton MP's description of Clean TeQ Sunrise as a "mine of the future" was an excellent summation of what we are working hard to create.

Construction water update

In December 2017 Clean TeQ submitted the Modification 4 (MOD4) Environmental Assessment (EA) to the Department of Planning and Environment. As part of MOD4, we proposed to transport water by road – during construction and prior to commissioning the water pipeline – from our borefield to the mine site. The borefield is situated west of Bedgerabong.

After conducting further reviews, and consulting Forbes Shire Council about the transport route, we have decided to remove this proposal from MOD4.



Top (from L to R): Cr. Graeme Miller (Mayor of Forbes Shire), Cr. Ken Keith (Mayor of Parkes Shire), Sam Riggall (CEO, Clean TeQ), Cr. John Medcalf (Mayor of Lachlan Shire), The Hon. Mark Coulton MP, Member for Parkes (photo supplied by the Condobolin Argus).



Top (from L to R): Stefanie Loader (Clean TeQ Non-Executive Director), James Fisher (NSW Manager, Clean TeQ); The Hon. Michael McCormack MP, Deputy Prime Minister & Member for Riverina; The Hon. Mark Coulton MP, Member for Parkes; Sam Riggall (CEO, Clean TeQ); Senator the Hon. Senator Matthew Canavan, Minister for Resources & Northern Australia and Justine Fisher (GM Government, External Relations & Community, Clean TeQ).

Ensuring opportunity for Australian business

Australian Industry Participation (AIP) is a federal government initiative that ensures Australian industry has a full, fair and reasonable opportunity to compete for work on large scale private and public projects.

Through our Clean TeQ Sunrise AIP plan we are committed to working with local businesses and suppliers throughout the Project. To help identify groups during different stages of the

Project, we are working with the Industry Capability Network (ICN).

ICN has been operating for over 30 years and in that time has helped Australian companies secure over \$30 billion worth of contracts.

Significant work packages for Clean TeQ Sunrise have already been listed on the ICN Gateway and will continue to be shared there for the duration of the Project.

To register your business with ICN and to view work packages with Clean TeQ Sunrise head to www.gateway.icn.org.au and to view work packages with Clean TeQ Sunrise.

We continue to accept expressions of interest for smaller packages of work that fall outside the ICN scope. If you wish to register your business, please visit the Clean TeQ website.

Clean TeQ Water in Oman

Clean TeQ Water is making excellent progress towards completion of a significant contract to design, construct and deliver a wastewater treatment solution in Oman.

The facility will treat wastewater at a minerals processing plant currently under construction. The Clean TeQ Water facility is designed to remove toxic pollutants, sulphate, antimony and arsenic from wastewater at the minerals processing plant.

Construction of the Clean TeQ wastewater treatment plant was completed in May, with first stage cold-commissioning in June. Construction of the mineral processing plant (which will be the source of wastewater for the Clean TeQ plant) is expected to be completed over the coming months, after which Clean TeQ will complete final commissioning and handover.

Right: The mineral processing plant in Oman.



Promising growth for nickel and cobalt

Nickel and cobalt sulphates are key ingredients to produce the lithium-ion batteries that power electric cars.

However, did you know the lithium-ion battery industry already consumes 50 per cent of the world's cobalt supply?

And that currently only 50 per cent of the nickel produced globally is of high enough quality to be used in batteries? Significantly, over the next ten years this figure is expected to fall.

In fact, conservative estimates show that the global electric vehicle market will require a threefold increase in the supply of cobalt and a fourfold increase in the supply of nickel by 2025. The results of Clean TeQ Sunrise's recent DFS showed that between years two and eight, the Project is expected to produce over 21,000 tonnes of nickel and over 4,600 tonnes of cobalt per annum.

Not only is Clean TeQ Sunrise one of the largest and highest-grade cobalt deposits outside of Africa, its nickel deposit is of very high quality.

With electric vehicle sales expected to considerably increase over coming years, Clean TeQ is confident of securing binding long-term sales contracts with manufacturers in this industry.

Mid Left: Cobalt-sulphate.
Right: Nickel-sulphate.



Helping where we can

We have been pleased to lend a helping hand to the students of Trundle. In doing so, we set a challenge for each school to do their own fund-raising and promised to match their efforts dollar-for-dollar, to a total of \$2,000 each. Both student groups came up with some novel ideas for fundraising including cake and street stalls, wood raffles and a car wash.

At St Patrick's School, we assisted with the purchase of a large shade umbrella for their newly created sensory garden. This was a great little project that turned an unused area of the school into a lovely space and outdoor learning area.

At Trundle Central School 33 high school students are heading on a four-day adventure to the snow. The major excursion will take place during September and is set to provide a new experience for many of these students.

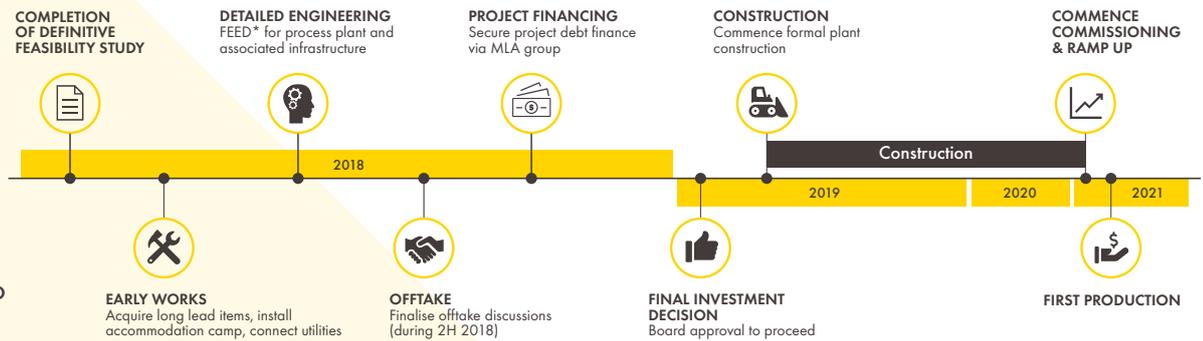
Well done to both schools for their successful efforts! We were delighted to have a student drop into our Trundle office – unannounced – to personally thank our Community team.



Top: The cake stall run by St Patrick's School students proved very popular.

Clean TeQ Sunrise Project Timeline

With the Definitive Feasibility Study completed in June, we are gearing up to start construction in 2019, with first production forecast to commence in 2021.



Delivering local benefits

Clean TeQ Sunrise's Definitive Feasibility Study (DFS) was completed in June. This important study evaluated all aspects of the project and will underpin the next phase of Clean TeQ Sunrise's development. As part of the study, the DFS forecast a variety of local benefits to the community over the initial 25-years of operation.

Employment Opportunities: A peak construction workforce of **1,000** people and a steady-state operations workforce of **300** people (plus mining and logistics contractors and ancillary services). During steady state operations most of these workers are expected to reside in local communities.

Employee Salaries/Wages: A\$1.9 billion (estimate includes mining contractor wages but excludes logistics contractors and ancillary services).

Local Supply Opportunities: Benefits are also expected for local businesses as suppliers of goods and services to Clean TeQ Sunrise.

State and Federal Governments are also forecast to benefit significantly from the Project. Over the initial 25-year mine life the DFS estimated Clean TeQ will pay:

- **A\$630 million** in State Royalties and payroll tax
- **A\$2.2 billion** in taxes (corporate tax)

Local Community Contributions: This will cover payments to compensate communities for local Project impacts (principally road upgrades and maintenance), council rates and additional ongoing local community enhancement initiatives. Telecommunications will also be greatly enhanced around the Project area, to the benefit of residents.

As reported in a previous edition of this newsletter, Clean TeQ has reached 'In-principle agreement' with the Shire Councils of Forbes, Lachlan and Parkes for a Voluntary Planning Agreement for approximately \$17 million across the life of Clean TeQ Sunrise.

We are committed to working together with our host communities as we seek to maximise the benefits of our presence, manage any impacts through leading environmental practices and show respect and care for people as we go about our business.

As Clean TeQ Sunrise moves through the various horizons of development, we look forward to tapping into local talent and businesses. Having our people living in and contributing to a strong and vibrant local community is a priority.

Working with our community on water

We are working together with landholders near Clean TeQ Sunrise's borefield west of Bedgerabong on our plans for water usage. This includes a bore census, expanded groundwater monitoring program, additional hydrogeological testing and development of a contemporary groundwater model.

The first step in the process has been to conduct the bore census in consultation with local groundwater users. To undertake this work, we engaged Environment & Natural Resource Solutions (ENRS), groundwater specialists with over 12 years' experience in environment and natural resource management. Importantly, ENRS has previously conducted groundwater work in the Condobolin and Forbes areas.

Field investigations for the bore census ran over a three-week period with the team visiting approximately 155 groundwater bores across 73 properties in this time. Baseline information about existing bores, wells and springs were

recorded along with standing water levels and water quality results. We would like to take this opportunity to thank everyone who participated in the census.

During June, our environmental team was also busy undertaking groundwater monitoring on the Mining Lease. They collected data, measured depth, and took samples from the existing groundwater monitoring network within and around the Clean TeQ Sunrise site.



Top: Groundwater investigations being undertaken at one of the Project monitoring bores.

More information and staying in touch

Visit the Clean TeQ website and register to receive our community newsletter and other updates.

Website - www.cleanteq.com

Email - community@cleanteq.com

Like and follow Clean TeQ on Facebook - www.facebook.com/PoweringInnovation