

April 29, 2024

SUCCESSFUL COMPLETION OF \$2.0 MILLION PLACEMENT, \$2.0 MILLION DEBT TERM SHEET EXECUTED & LAUNCH OF \$1.0 MILLION SPP OFFER

- *Clean TeQ raises \$2 million (before costs) via a placement to institutional and sophisticated investors at \$0.31 per New Share.*
- *Non-binding term sheet for a \$2 million senior secured loan facility.*
- *Proceeds will enable accelerated demonstration and uptake of Cde[®] lithium technology and ATA[®] tailings dewatering technologies while underpinning growth in freshwater purification projects.*
- *A Share Purchase Plan will be offered to eligible shareholders on the same terms and conditions targeting to raise approximately \$1 million.*
- *Placement and SPP shares offered with attaching options on a 1:3 basis, exercisable at \$0.45 each and expiring 30 April 2026.*

MELBOURNE, Australia – Clean TeQ Water Limited (**Clean TeQ** or **Company**) (ASX: CNQ & OTCQX: CNQQF) is pleased to announce today that it has received firm, binding commitments from institutional, sophisticated and professional investors to raise approximately \$2 million (before costs) under a placement (“**Placement**”) of new fully paid ordinary shares in the capital of the Company (“**New Shares**”) at an issue price of A\$0.31 per New Share (“**Placement Price**”).

Additionally, the Company announces the execution of a non-binding and conditional Term Sheet for a \$2.0 million senior secured loan facility from Causeway Asset Management Ltd (“**Loan Facility**”). The Loan Facility remains subject to ongoing due diligence and definitive legally binding documentation, which is expected to be completed prior to the end of May 2024.

The Company is also conducting a non-underwritten Share Purchase Plan (“**SPP**”) targeting to raise up to approximately \$1 million (before costs). The SPP offers each Eligible Shareholder (irrespective of the size of their shareholding) an opportunity to purchase up to \$30,000 of New Shares at the Placement Price and representing a 18.41% discount to the 5-day VWAP on Tuesday 16 April 2024.

In addition, participants in the Placement and the SPP will be entitled to receive one (1) option for every three (3) shares subscribed for, exercisable at \$0.45 each and expiring 30 April 2026 (“**New Options**”). The New Options are also intended to be listed subject to satisfying the quotation requirements of ASX.

The net proceeds from the Placement, Loan Facility and SPP will be used to execute Clean TeQ's strategy to:

- evaluation and test work associated with the potential acquisition of lithium brine assets;
- an additional pilot plant facility for demonstration of the attributes of the cDLE® process in targeted lithium brine assets;
- pilot plant facilities for the demonstration of ATA® rapid dewatering and dry-stacking technology to replace wet tailings storage for mining companies; and
- working capital.

Clean TeQ's Interim CEO, Peter Voigt, commented: *"We are delighted by the positive response from investors regarding this placement. We extend a warm welcome to the new investors joining our share register, and express gratitude to our existing shareholders for their continued support. This funding serves as a robust foundation for our shift towards supporting the energy transition through the application of our technology. Freshwater and critical metals stand as pivotal elements in securing our future on Earth. Our initial focus is on lithium, given its critical role in EVs and stationary batteries. We aim to tap into the potential of mine tailings, a currently undervalued source of metals, while simultaneously addressing unsafe storage practices. Additionally, freshwater remains one of the most undervalued resources globally. With our technology integrated into appropriate commercial vehicles, we are poised to generate significant value for our shareholders."*

Placement Details

Clean TeQ has successfully raised \$2 million (before costs) through the placement of approximately 6,451,613 New Shares to institutional, sophisticated and professional investors, including certain existing shareholders, at an issue price of \$0.31 per New Share. The 6,451,613 New Shares to be issued under the Placement represent approximately 9.89% of the Company's existing issued capital. The New Shares will, upon their issue, rank equally with existing fully paid ordinary shares in Clean TeQ (**Shares**).

The Placement also includes the offer, to be made pursuant to a prospectus, of one (1) option to subscribe for a Share, exercisable at \$0.45 each and expiring 30 April 2026, for every three (3) New Shares issued under the Placement (**Placement Options**). The Company proposes to seek quotation of the Placement Options subject to satisfying the quotation requirements of ASX. The Placement Options are expected to be issued using the Company's existing Listing Rule 7.1 capacity.

The New Shares issued pursuant to the Placement are being issued under the Company's existing placement capacity pursuant to Listing Rules 7.1A and will rank equally with existing Shares.

The offer price of \$0.31 per New Share represents a:

- 16.22% discount to the last closing price of \$0.37 on 17 April 2024;
- 16.81% discount to the 15-day volume weighted average market price of \$0.37; and
- 18.41% discount to the 5-day volume weighted average market price of \$0.38.

Viriathus Capital Pty Ltd acted as Lead Manager and Bookrunner to the Placement with Evolution Capital Pty Ltd acting as co-manager. 6% of the Placement amount will be paid to Viriathus Capital Pty Ltd as capital raising fees. The Placement was not underwritten.

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Loan Facility Term Sheet

The Company has entered into a term sheet with Causeway Asset Management Ltd (“Causeway”) for a total debt financing of \$2 million.

Causeway provides flexible and innovative secured financing solutions to the Small and Medium sized Enterprise sector typically beyond the scope of traditional debt providers. Causeway has been a participant in private debt and related sectors since 2003, both on balance sheet and via managed fund offerings.

Completion of the Facility Agreement remains conditional, inter alia, upon ongoing due diligence, final investment committee approval and the parties entering into definitive legal documentation, which is expected in the next 4 weeks. However, there can be no assurance these documents will be entered into or become effective.

If completed, the funds provided under the Loan Facility will be used for working capital purposes.

The Loan Facility will be subject to the Company and Causeway agreeing and entering into a definitive facility agreement which is expected to include, inter alia, terms to the following effect:

- The Loan Facility is expected to be made available to the Company in an initial tranche of \$1 million with subsequent drawdowns of at least \$250,000 during the 12-month period following initial financial close;
- The Loan Facility is expected to have a maturity period of two years (with an option to extend for 1 further year) and will bear interest at a rate of BBSW (bid) plus 8% per cent per annum, subject to a minimum BBSW rate of 3%. It is expected that interest will accrue on each loan tranche from the date of drawdown and be payable on a quarterly basis in arrears;
- The Loan Facility is expected to be secured by first ranking security over all of the Group’s assets and undertaking and by guarantees from the Company and each member of the Group.
- Drawdown and financial close will be subject to satisfaction of customary conditions precedent.

The key terms of the proposed financing are contained in Appendix A to this announcement.

As set out above, the expected terms of the Facility Agreement may change as a result of negotiations and further due diligence. There can be no guarantee that the Facility Agreement will be entered into on these terms or at all.

The Placement is not conditional on the Loan Facility being completed and accordingly, there could be circumstances where the Placement proceeds, but the Loan Facility does not.

Evolution Capital Pty Ltd acted as sole arranger and advisor to the Loan Facility and will receive 3% on each drawdown of the Loan Facility.

SPP Offer Details

The Company recognises the ongoing support of its large existing retail shareholder base and is pleased to announce that, in addition to the Placement, it will also be offering an SPP to Eligible Shareholders which is targeting to raise approximately \$1 million ¹. Under the SPP Eligible Shareholders will be offered the opportunity to apply for (without incurring any brokerage, commission or transaction costs) a maximum of

¹ The Company reserves the right in its sole discretion to scale back applications (in whole or in part) pursuant to the SPP (or withdraw the SPP) or raise more than \$1 million.

\$30,000 worth of New Shares, together with one (1) free attaching Option (“**SPP Options**”) for every three (3) New Shares issued under the SPP. The SPP Options will be offered on the same terms as the Placement Options. The Company proposes to seek quotation of the SPP Options subject to satisfying the quotation requirements of ASX.

Eligible Shareholders are those persons who were registered Clean TeQ shareholders as at 7:00pm AEST on Friday, 26 April 2024 (“**Record Date**”) and who have a registered address and are resident in Australia or New Zealand and are not in the United States or acting for the account or benefit of any person in the United States or otherwise excluded from participating (“**Eligible Shareholders**”).

The New Shares issued pursuant to the SPP will be issued in compliance with Listing Rule 7.2, exception 5 pursuant to an SPP offer booklet (“**SPP Offer Booklet**”) and will not utilise the Company’s placement capacities under Listing Rules 7.1 and 7.1A. The New Shares issued under the SPP will rank equally with existing Shares on issue. The SPP Options are expected to be issued using the Company’s existing Listing Rule 7.1 capacity.

The SPP Options will be offered under a transaction-specific prospectus under section 713 of the Corporations Act which is expected to be dispatched to Eligible Shareholders and released to the ASX indicatively on or around 16 May 2024. Eligible Shareholders should consider the prospectus in full before deciding whether to apply for SPP Options under the prospectus. The issue of any SPP Options to Directors will be subject to shareholder approval.

The Placement Options are also proposed to be offered under the prospectus.

Further information in relation to the SPP, including the SPP terms and conditions will be outlined in the SPP Offer Booklet, expected to be dispatched to Eligible Shareholders on or around Thursday, 16 May 2024. The Company reserves the right to vary the terms of the SPP without notice.

The SPP is not underwritten.

Indicative Placement and SPP Offer Timetable*

Event	Date
Record Date for SPP	7.00pm (AEST) on Friday, 26 April 2024
Announcement of Placement and SPP	Monday, 29 April 2024
Settlement of Placement shares	Friday, 3 May 2024
Allotment and normal trading of Placement Shares	Monday, 6 May 2024
Opening Date of SPP	Thursday, 16 May 2024
Closing Date of SPP	5.00pm (AEST) on Friday, 7 June 2024
Announcement of SPP results (including scale back (if any))	Wednesday, 12 June 2024
Issue and Allotment of SPP Shares and options*	Thursday, 13 June 2024
Normal trading of SPP shares and despatch of holding Statements	Friday, 14 June 2024

**The Offer Timetable is indicative only and remains subject to change at Clean TeQ's discretion. The commencement of trading and quotation of New Shares is subject to confirmation from the ASX. The Company reserves the right to amend this timetable at any time without notice, subject to the Corporations Act 2001 (Cth), Listing Rules and other applicable laws. Accordingly, Eligible Shareholders are encouraged to submit their Application Forms as early as possible.*

Further Information

Further information on the Placement and SPP is set out in the Investor Presentation provided to ASX on Monday, 29 April 2024, as well as the SPP Offer Booklet and Options Prospectus which is expected to be made available on the ASX announcements platform on Thursday, 16 May 2024.

Those Eligible Shareholders who have not registered their email with the Company's Share Registry and would like to receive a copy of the SPP Offer Booklet electronically should update their shareholder communication preferences details with Computershare via one of the following options:

- To register investor centre please visit www-au.computershare.com/Investor/Registration
- If you have already registered for an investor centre account, simply visit www.computershare.com/au to view and update your securityholder details; or
- Call 1300 850 505 (within Australia), or +61 3 9415 4000 (international) between 8:30 am and 5:00 pm (AEST time) Monday to Friday for assistance.

Shareholders should ensure that their contact details are up to date with the Registrar in order to receive the SPP offer information.

Investor webinar

Clean TeQ Water intends to host an investor webinar to discuss the details of its upcoming Share Purchase Plan and answer any shareholder questions.

The Company will advise the market of participation details for the webinar in due course.

This announcement has been authorised for release to the ASX by the Clean TeQ Water Board of Directors.

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 Water Limited.

About Clean TeQ Water Limited (ASX: CNQ & OTCQX: CNQFC) – Clean TeQ Water is a global technology leader headquartered in Melbourne, Australia, specialising in providing economic and environmentally sustainable solutions to address critical issues related to freshwater scarcity, mine tailings, and metal recovery. While the company has traditionally implemented projects using the engineering, procurement, and construction (EPC) approach, there is a strategic shift towards projects that generate annuity income or equity through technology license agreements to

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provide a more sustainable and long-term business model. Clean TeQ Water's core markets include water and wastewater recycling, lithium production, and the remining and rehabilitation of mine tailings. These markets reflect a commitment to addressing environmental challenges and promoting responsible resource management. The company has a presence in various locations, with offices in Melbourne, Perth, Darwin, Leeuwarden (Netherlands), Beijing, and Tianjin. Additionally, Clean TeQ Water has established partnerships in Africa and Latin America, showcasing its commitment to addressing global challenges and collaborating with stakeholders on an international level.

For more information about Clean TeQ Water please visit www.cleanteqwater.com. To subscribe to our company updates, please visit [Subscribe For Updates | Clean TeQ Water](#).

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified using words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance, and results, and speak only as of the date of this new release.

Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

Appendix A

Key Terms Loan Facility

Loan Facility	Key Terms
Financier	Causeway Asset Management Ltd
Borrower	Clean Teq Water Limited (CNQ)
Guarantors	All subsidiaries of CNQ
Facility	Term Loan Facility
Facility Amount	\$2.0 million senior secured term loan facility (Facility Limit).
Conditions Precedent	<p>The Facility is conditional on the following:</p> <ul style="list-style-type: none"> • Completion of due diligence (including business, legal, tax, credit, and financial) satisfactory to the Financier in its sole discretion); • Successful completion of equity raise of at least \$2 million; • All appropriate documentation is executed and registered and opinions regarding enforceability of the Facility and security documents are to the satisfaction of the Financier and its legal adviser; and • other conditions precedent customary for a facility of this nature.
Maturity/Term	<ul style="list-style-type: none"> • The Facility will be interest only. • Payment of the Facility will be due 2 years after the date of financial close and may, at the election of CNQ, be extended for a further 12 months.
Security Documents	General Security Agreements over CNQ and all Guarantors covering all present and future undertakings, assets and rights.
Fees	<ul style="list-style-type: none"> • Establishment Fee of 2% of the total Facility Amount (payable on settlement) • Work Fee: 0.75% of total Facility Amount.
Interest rate benchmark	BBSW (Bid)
Interest Rate	<p>The Facility is interest-only as follows:</p> <ul style="list-style-type: none"> • Drawn amounts – Interest rate benchmark (subject to floor of 3%) plus 8.0% p.a. <ul style="list-style-type: none"> • Undrawn amounts - Interest rate benchmark (subject to floor of 3%). Interest is payable quarterly in arrears from the settlement date.
Covenants	Customary covenants, representations and events of default for a secured corporate facility of this nature.
Events of Default	Events of default will be as customary for a facility of this nature with market standard grace periods and carve outs.
Other Terms	The Facility Agreement will include usual terms and conditions for facilities of this nature, including Conditions Precedent, Conditions Subsequent, Representations & Warranties, Undertakings (including Permitted Disposals, Permitted Distributions, and Permitted Debt), and Events of Default (include financial covenants, non-payment, insolvency, material adverse effect, and misrepresentation – non-payment defaults generally subject to a cure periods).