

27 October 2017

Quarterly Activities Report – September 2017

Clean TeQ Holdings Limited
ACN: 127 457 916
CLQ:ASX
CTEQF:OTCQX

Corporate Information:

578.1M ordinary shares
42.4M unlisted options
6.6M performance rights
\$62.9M cash at bank

Co-Chairman

Robert Friedland

Co-Chairman

Jiang Zhaobai

CEO

Sam Riggall

Non-Executive Director

Stef Loader

Non-Executive Director

Li Bingham

Non-Executive Director

Eric Finlayson

Non-Executive Director

Roger Harley

Non-Executive Director

Ian Knight

Non-Executive Director

Mike Spreadborough

Company Secretary

Melanie Leydin

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Highlights

- **Binding Offtake Agreement with Beijing Easpring**
- **Syerston Mineral Resource Update**
- **Strong progress on Definitive Feasibility Study**
- **Acquisition of autoclaves for Syerston Project**
- **High purity cobalt sulphate samples dispatched to customers**
- **Admission to the ASX/S&P 300 Index**

Clean TeQ Overview

Our vision is to create a globally significant business which is focused on providing specialty materials and clean solutions to a range of industries using our proprietary Clean-iX® continuous ion exchange technology.

Metals – Clean TeQ owns the Syerston Nickel, Cobalt and Scandium Project in NSW. Syerston's unique mineral resource, when combined with Clean TeQ's proprietary ion-exchange extraction and purification processing technology, provides Clean TeQ with the opportunity to become a leading global supplier of nickel and cobalt sulphate to the lithium-ion battery industry, as well as providing scandium for production of the next generation of lightweight aluminum alloys for key transportation markets.

Water – Clean TeQ's Continuous Ionic Filtration & Exchange (CIF®) technology provides the basis for cost effective water treatment solutions to the power, mining, oil and gas and municipal industries. Our technologies are designed to cope with the most demanding waters to provide best in class performance in water recovery and operability.

Syerston Nickel Cobalt Scandium Project

During the Quarter, the Company continued to make excellent progress toward the development of its 100% owned Syerston Nickel Cobalt Scandium Project (**Syerston**) in New South Wales, Australia.

Maiden Offtake Agreement with Beijing Easpring

Significantly, Clean TeQ 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. The agreement marked an important milestone for the Syerston Project.

Under the agreement, Easpring will purchase fixed tonnages from year 2 following ramp-up, of 18,000 tonnes per annum nickel sulphate (NiSO₄.6H₂O) (approximately 4,000tpa nickel metal equivalent) and 5,000 tonnes per annum cobalt sulphate (CoSO₄.7H₂O) (approximately 1,000tpa cobalt metal equivalent) representing approximately 20 per cent of forecast Syerston production, for an initial five-year period commencing from the start of commercial production.

Further, 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. These discussions are ongoing.

Clean TeQ and Easpring will also investigate the potential for a partnership in downstream precursor and possibly battery cathode production at Syerston.

The agreement represents a significant milestone for the Syerston Project as it develops into a leading global supplier of battery grade cobalt and nickel to the lithium ion battery industry.

Mineral Resource Update

The Company continued work towards completion of a Mineral Resource Update during the quarter, in preparation for a review of the Ore Reserve estimate which is being conducted in conjunction with the ongoing Definitive Feasibility Study (**DFS**).

The updated resource (see Table 1) was announced post quarter-end, and highlighted a 30% increase in cobalt grades compared to the Prefeasibility Study completed in 2016.

Table 1: Syerston Cobalt/Nickel Mineral Resource Estimate (0.06% Co cut-off)

Classification Category	Tonnage (Mt)	Ni Grade %	Co Grade %	Ni Metal Tonnes	Co Metal Tonnes
Measured	40	0.75	0.15	299,000	59,000
Indicated	47	0.55	0.12	259,000	58,000
Measured + Indicated	87	0.64	0.13	558,000	116,000
Inferred	14	0.24	0.11	35,000	16,000
Total	101	0.59	0.13	593,000	132,000

For full details of the Resource update please see the ASX announcement of 9 October 2017.

Of note the updated Mineral Resource showed a strong uplift in cobalt grade (30%) and contained cobalt metal content (16%). Preliminary mine scheduling currently being undertaken as part of the DFS based on the updated Mineral Resource indicates that cobalt production in the first 10 years of the mine life has the potential to increase significantly from the PFS production forecasts, to an annual average of circa 5,000 tonnes per annum (cobalt contained metal) with the same ore feed throughput of 2.5 million tonnes per annum, offsetting a marginal reduction in nickel production over this period.

In addition, further work is being undertaken as part of the DFS to assess more selective mining approaches that would support increased rejection of low-grade and waste material in the mine plan. This will include further drilling to support effective grade control and smaller block sizes in the mine plan design. This is likely to have a further materially positive impact on cobalt production rates.

At these forecast production rates Clean TeQ will be positioned as one of the world's largest suppliers of cobalt from the developed world (see Table 2).

Table 2: Cobalt Production – Global Rankings

Miner/operator	Country	Cobalt Production 2016 est. tonnes
Mutanda	DRC	24,500
Tenke Fungurume	DRC	17,200
Norilsk	Russia	5,600
Coral Bay/Taganito	Philippines	4,700
CDM	DRC	4,500
BOSS Mining	DRC	4,200
Big Hill	DRC	3,600
Ruashi	DRC	3,500
Moa Bay	Cuba	3,500
Vale New Caledonia	New Caledonia	3,200
Minara	Australia	2,800

Source – Darton Cobalt Market Review 2016-17

The Resource Update also resulted in an increase in both scandium and platinum resources at Syerston. The scandium Mineral Resource for the Project has increased significantly to 45.7 Mt @ 420 ppm Sc for 19,222 tonnes of contained metal using a 300ppm cut-off. Of this total resource, 27% is in the Measured and Indicated categories.

This compares to the previously reported scandium Mineral Resource (17 March 2015) of 28.2 Mt @ 419 ppm Sc for 11,819 contained metal tonnes, using a 300 ppm Sc cut-off (i.e. an increase in contained scandium metal of 63%).

The platinum in the Mineral Resource for the Project has increased significantly to 103 Mt @ 0.33 g/t Pt for 1,076,170 ounces, using a 0.15 g/t cut-off. Of this total resource, 94% (metal content) is in the Measured and Indicated categories.

This compares to the previously reported Mineral Resource (20 September 2015) of 109 Mt @ 0.20 g/t for 700,888 ounces of contained platinum.

The updated platinum Resource is inclusive of a higher-grade zone of 1.7 Mt @ 1.87 g/t Pt for 103,435 ounces at a 1 g/t Pt cut-off grade.

Updated Mineral Resource Statements can be found in Appendix A.

Definitive Feasibility Study Progressing

Clean TeQ continued to make strong progress towards completion of the Definitive Feasibility Study (**DFS**) for the Syerston Project.

Due to the significant increase in anticipated cobalt production as a result of the mineral resource update, the DFS is currently re-assessing the impact on the design and costing of the resin-in-pulp adsorption/desorption and refinery circuits of the process flow sheet as well as evaluating more selective mining approaches to the mine plan. The new work has resulted in a delay to the anticipated timing of completion of the DFS to Q1 2018. The scope of the DFS has also be expanded to assess the potential for platinum recovery via a separate beneficiation circuit.

Onsite activities to support completion of the DFS during the quarter included bulk-sample test pitting, sizer crush testing and drilling.

In addition, the Company submitted its Aboriginal Heritage Impact Permit (**AHIP**) to the NSW Office of Environment & Heritage (**OEH**) during the quarter, and received approval post quarter end. The permit includes approvals for mine site, quarry, rail siding, borefield, pipelines and road upgrades. This is a significant approval required for all mining operations in NSW and followed a comprehensive process involving archaeological surveys, and Aboriginal group consultations.

The conditions of the AHIP will now be incorporated into the Heritage Management Plan that is currently being developed for Syerston.

Acquisition of Autoclaves for Syerston

During the quarter, the Company announced the acquisition of two autoclaves (Figure 1), critical components of the proposed processing plant at Syerston. The acquisition significantly de-risks the project schedule, with delivery lead times in today's market for similar equipment being almost three years.



Figure 1: Autoclaves being loaded on board vessel for transport to Port Pirie

The autoclaves, which were acquired from Vale International S.A. (a subsidiary of Brazilian multinational metals and mining group, Vale SA) for US\$6.5 million have never been used, are ideally sized for the Syerston Project and in excellent condition.

Following the end of the quarter, transportation of the autoclaves from New Caledonia to Australia commenced. They will be shipped to Port Pirie in South Australia where they will be stored until they are ready to be transported by road to the Syerston Project site for installation.

Cobalt samples sent to potential customers

During the quarter, Clean TeQ completed the production of samples of high purity cobalt sulphate ($\text{CoSO}_4 \cdot 7\text{H}_2\text{O}$) from the processing of Syerston ore at the Company's nickel and cobalt recovery and purification demonstration plant at ALS Metallurgy in Perth. These samples were dispatched to a number of potential customers in the lithium ion battery supply chain for testing and analysis, with the objective of securing product offtake commitments.



Figure 2: Samples of Syerston Cobalt Sulphate

Offtake Marketing Progress

Clean TeQ continued discussions regarding potential offtake commitments for Syerston nickel and cobalt sulphate production with several companies in the lithium ion battery cathode supply chain during the quarter. Interest remains strong and the Company will keep the market updated as to the progress of these negotiations.

The Company also continues to progress a range of activities which are aimed at facilitating and promoting the use of scandium aluminium alloys for high strength light weight applications with the ultimate aim of securing offtake contracts for scandium oxide, given the highly value accretive impact of producing scandium as a by-product to nickel and cobalt sulphate production.

Clean TeQ Water

Clean TeQ's Water Division continued to focus on opportunities to promote and develop our Continuous Ion Exchange Technology (CIF®) within the rapidly growing Chinese water market where treatment solutions for power, mining, oil and gas and municipal wastewater streams continue to be in high demand.

Joint Venture with Jinzhong Hoyo Municipal Urban Investment & Construction Co., Ltd (Hoyo)

During the quarter, the joint venture between Clean TeQ and Jinzhong Hoyo Municipal Urban Investment & Construction Co., Ltd (**Hoyo**) continued to work on water treatment opportunities in China's Shanxi Province utilising Clean TeQ's water purification technology.

As previously announced, the JV Company was awarded an initial contract to build, own and operate a Clean TeQ CIF® water treatment plant to treat up to 13,000 tonnes of effluent per day for a 20-year period at a waste water treatment plant owned by Hoyo. The project contract provides for the JV Company to be paid a service fee of 1RMB per tonne of water treated, subject to a minimum payment for 9,000 tonnes per day.

Design and engineering of the plant was completed during the prior quarter and plans submitted to the Shanxi Urban & Rural Planning Design Institute for approval. During the past quarter, the design institute has approved and finalized the Feasibility Study Report (**FSR**) and the project has received initial government approval. Clean TeQ is confident that the final FSR will be issued in Q4 of 2017, after which the design and sourcing phases will start. Construction is planned to commence in Q1 of 2018.

Multotec/Oman Project

Clean TeQ, via its wholly owned subsidiary Clean TeQ Water Pty Ltd, is also executing a significant contract with Multotec Process Equipment Pty Ltd (**Multotec**) to design, procure and commission a Clean TeQ CIF® wastewater treatment solution at a minerals processing plant currently being constructed in Oman (**Oman Contract**).

The Oman Contract is valued in excess of US\$400,000 and includes a technology fee and payments for engineering, equipment and resin supply and commissioning support. The CIF® waste water treatment plant will treat waste water from a flue gas desulphurisation scrubber at a minerals processing plant at Port of Sohar Free Zone, Sultanate of Oman. The technology uses Clean TeQ's proprietary CIF® technology to remove toxic pollutants and in particular sulphate, antimony and arsenic from the wastewater stream. The Clean TeQ solution is being provided to Multotec as an equipment design and supply package. Multotec is the principal contractor with overall responsibility for delivering the CIF® wastewater management systems for the mineral processing facility.

During the quarter, fabrication of the CIF® waste water treatment plant equipment was completed by Clean TeQ. The equipment is currently being shipped from Tianjin (China) to Oman and upon its arrival will be constructed and commissioned over the next three months.

Business Development

The Company has also continued to progress feasibility and engineering contracts for a number of water treatment systems using Clean TeQ's ion exchange technology, including:

- 1) A CIF® wastewater treatment solution to treat tailings water to a standard to allow discharge at a gold mining operation in Australia. The technology removes toxic pollutants sulphate, antimony and arsenic from a waste water stream.
- 2) A Clean-iX® uranium recovery plant to remove low concentrations of uranium from process liquors at a copper/cobalt processing operation in Africa.
- 3) A preliminary feasibility report for a High-Density Sludge plus DeSalx® plant for treatment of gold mine waste water in PNG.

The Company remains confident that at least one of these opportunities will result in a commercial supply contract to deliver a Clean TeQ water treatment solution.

Beyond that Clean TeQ is preparing two pilot projects in China to demonstrate the applicability of the CIF® technology in treating waste water in a coal to chemical plant and treatment of water from a coal mining operation for re-use. Both projects are planned for the beginning of 2018 and are in cooperation with large Chinese state-owned companies.

Clean TeQ Technology

Clean TeQ's technology business continued to develop capability and knowledge during the quarter, with a focus on graphene oxide and the Company's Continuous Ionic Filtration (CIF®) technologies.

Graphene Oxide

The research and development of graphene oxide based adsorbents and membranes in cooperation with Monash University and Ionic Industries has achieved some significant milestones over the last quarter. Clean TeQ has developed a process, based on its ion exchange technology, to remove contaminants from technical grade graphite oxide. The refined graphite oxide has been converted to nematic phase graphene oxide solution which will be used as the raw material to produce graphene oxide based adsorbents and membranes.

Over the coming months the Company will produce graphene oxide based adsorbents and membranes in quantities to allow demonstration of their efficacy in water treatment applications.

Continuous Ionic Filtration

Continuous Ionic Filtration forms the basis of our water separation technology platform. The application of the technology in tertiary wastewater treatment to remove nutrients (organics, nitrogen and phosphorus) is a large market for our treatment solutions. The technology treats high volumes of water and concentrates the by-products into a manageable volume. Regulations around disposal of the by-products are tightening, meaning complete removal systems are required. The Company is currently developing methods of dealing with brine by-products that include fixed film biology, adsorption and nanofiltration.

Corporate

During the quarter the Company was for the first time included in the benchmark ASX/S&P 300 Index.

As at 30 September 2017 available cash at bank was \$62.9 million.

The Company's Annual General Meeting will take place at 10am on Wednesday, 1 November 2017 at the RACV Club in Melbourne. The meeting will be chaired by Non-Executive Director, Mr. Roger Harley, and a general update to shareholders will be delivered by Mr Peter Voigt, Chief Technical Officer. Co-Chairmen Mr. Jiang Zhoabai and Mr. Robert Friedland and CEO Mr Sam Riggall are unable to attend.

For more information about Clean TeQ contact:

Sam Riggall, CEO

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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.

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

This release may contain forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

Appendix A – Detailed Mineral Resource Estimate

For full details of the Resource update please see the ASX announcement of 9 October 2017.

Detailed Syerston Nickel and Cobalt Mineral Resource Estimate by Domain (0.06% Co cut-off)

Domain	Class	Tonnage (Mt)	Ni Grade %	Co Grade %	Fe Grade %	Al Grade %	Si Grade %	Mg Grade %	Mn Grade %	Ca Grade %	Cu Grade ppm	Zn Grade ppm	Cr Grade ppm
Transition	M & I	3.6	0.34	0.10	38.27	5.35	7.41	0.53	0.58	0.33	101	278	5,827
	Inf	2.0	0.24	0.09	37.50	5.51	8.40	0.33	0.56	0.18	86	274	4,563
Goethite	M & I	52.0	0.70	0.16	42.20	2.98	7.95	0.78	0.89	0.28	83	402	5,575
	Inf	7.0	0.25	0.13	33.72	6.36	10.48	0.76	0.82	0.36	214	309	3,558
Siliceous Goethite	M & I	31.4	0.59	0.10	27.30	1.62	22.14	0.94	0.58	0.25	42	289	5,770
	Inf	5.3	0.24	0.10	24.59	4.40	19.91	1.68	0.58	0.82	200	339	4,471
Total	M & I	86.9	0.64	0.13	36.66	2.59	13.05	0.83	0.76	0.27	69	356	5,656
	Inf	14.2	0.24	0.11	30.85	5.52	13.69	1.04	0.69	0.50	191	315	4,035
	Total	101.1	0.59	0.13	35.84	3.00	13.14	0.86	0.75	0.30	86	350	5,429

Note: 1) M & I – Measured and Indicated Resources

2) Inf – Inferred Resources

Detailed Syerston Nickel and Cobalt Mineral Resource Estimate by Domain (No Co cut-off)

Domain	Class	Tonnage (Mt)	Ni Grade %	Co Grade %	Fe Grade %	Al Grade %	Si Grade %	Mg Grade %	Mn Grade %	Ca Grade %	Cu Grade ppm	Zn Grade ppm	Cr Grade ppm
Transition	M & I	27.6	0.32	0.04	38.38	5.26	7.64	0.83	1.47	0.58	83	242	7,231
	Inf	3.8	0.19	0.05	33.25	5.09	7.34	0.76	1.15	0.52	95	207	3,829
Goethite	M & I	68.8	0.65	0.13	42.06	3.07	7.98	0.78	1.50	0.31	79	380	5,792
	Inf	8.1	0.24	0.12	33.48	6.31	10.69	0.77	1.50	0.39	214	300	3,539
Siliceous Goethite	M & I	66.5	0.50	0.07	23.72	1.47	24.67	1.10	1.48	0.33	37	239	5,290
	Inf	8.7	0.23	0.08	24.31	4.19	20.32	1.86	1.34	0.87	168	320	3,873
Total	M & I	162.8	0.54	0.09	33.94	2.79	14.74	0.92	1.49	0.36	63	299	5,831
	Inf	20.6	0.23	0.08	29.80	5.18	13.70	1.20	1.36	0.61	167	286	3,740
	Total	183.3	0.50	0.09	33.45	3.07	14.61	0.96	1.47	0.39	75	298	5,581

Note: 1) M & I – Measured and Indicated Resources

2) Inf – Inferred Resources

Detailed Syerston Scandium Mineral Resource Estimate by Domain & Resource Category (300ppm Sc cut-off)

Domain	Class	Tonnage (Mt)	Sc Grade PPM	Sc Metal Tonnes	Sc ₂ O ₃ Equiv Tonnes
Alluvial	Measured				
	Indicated	1.12	368	411	629
	Inferred	7.29	366	2,671	4,086
Overburden	Measured	0.91	512	467	714
	Indicated	2.82	443	1,251	1,914
	Inferred	3.98	536	2,133	3,263
Transition	Measured	0.01	348	2	4
	Indicated	1.29	395	511	781
	Inferred	17.01	421	7,158	10,952
Goethite Zone	Measured	0.44	439	191	293
	Indicated	3.05	401	1,223	1,871
	Inferred	3.19	392	1,252	1,916
Siliceous Goethite Zone	Measured	0.4	434	174	266
	Indicated	2.28	414	945	1,446
	Inferred	1.87	446	833	1,274
Total	Measured and Indicated	12.32	420	5,175	7,917
	Inferred	33.34	421	14,047	21,492
	Total Resources	45.66	421	19,222	29,409

Detailed Syerston Scandium Mineral Resource Estimate by Domain & Resource Category (No Sc cut-off)

Domain	Class	Tonnage (Mt)	Sc Grade PPM	Sc Metal Tonnes	Sc ₂ O ₃ Equiv Tonnes
Alluvial	Measured	23.5	47	1,099	1,681
	Indicated	40.2	94	3,763	5,758
	Inferred	59.4	128	7,618	11,655
Overburden	Measured	4.8	71	342	524
	Indicated	14.1	135	1,905	2,914
	Inferred	37.4	257	9,622	14,721
Transition	Measured	10.5	96	1,005	1,538
	Indicated	17.0	131	2,231	3,414
	Inferred	3.8	281	1,070	1,637
Goethite Zone	Measured	32.2	70	2,254	3,449
	Indicated	36.5	92	3,343	5,114
	Inferred	8.1	336	2,716	4,156
Siliceous Goethite Zone	Measured	26.1	38	979	1,498
	Indicated	40.4	62	2,522	3,858
	Inferred	8.7	234	2,043	3,126
Total	Measured and Indicated	245.4	79	19,443	29,748
	Inferred	117.4	196	23,069	35,295
	Total Resources	362.9	117	42,512	65,043

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

CLEAN TEQ HOLDINGS LIMITED

ABN

34 127 457 916

Quarter ended ("current quarter")

September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	132	132
1.2 Payments for		
(a) research and development	(76)	(76)
(b) product manufacturing and operating costs	(183)	(183)
(c) advertising and marketing	(126)	(126)
(d) leased assets	(68)	(68)
(e) staff costs	(1,163)	(1,163)
(f) administration and corporate costs	(2,867)	(2,867)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	334	334
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	59	59
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(3,958)	(3,958)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10,908)	(10,908)
(b) businesses (see item 10)	-	-
(c) investments	(343)	(343)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(10,701)	(10,701)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(21,952)	(21,952)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	20	20
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	(48)	(48)
3.10 Net cash from / (used in) financing activities	(28)	(28)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	88,863	88,863
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,958)	(3,958)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(21,952)	(21,952)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(28)	(28)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	62,925	62,925

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	62,925	88,863
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	62,925	88,863

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
206
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	3,000
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

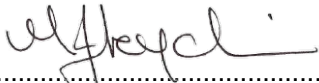
The amount in 8.3 is made up of a \$3,000,000 zero coupon promissory note payable to Australia Nickel & Platinum Holding Company Ltd which is due in March 2018. The note was issued to Nickel & Platinum Holding Company (a subsidiary of Ivanhoe Mines Inc.) by a Clean TeQ Holdings Limited group company as part consideration for the acquisition of Ivanplats Holding Company Pty Ltd, which holds 100% title to the Syerston exploration licences.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(172)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(221)
9.4 Leased assets	(131)
9.5 Staff costs	(944)
9.6 Administration and corporate costs	(911)
9.7 Syerston Project Costs	(11,021)
9.8 Working Capital Costs	(8,642)
9.9 Total estimated cash outflows	(22,042)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
.....
Company secretary

Date: 27 October 2017

Print name: Melanie Leydin

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.