

29 October 2019

## Quarterly Activities Report – September 2019

**ASX/TSX: CLQ**  
**OTCQX: CTEQF**

**Corporate Information:**

Ordinary shares: 746.5M  
Unlisted options: 17.0M  
Performance rights: 8.8M  
Cash at bank: A\$72.8M

**Co-Chairmen**  
Robert Friedland  
Jiang Zhaobai

**Chief Executive Officer**  
Sam Riggall

**Non-Executive  
Directors**  
Judith Downes  
Eric Finlayson  
Ian Knight  
Stefanie Loader  
Mike Spreadborough  
Shawn Wang

**Company Secretary**  
Melanie Leydin

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### HIGHLIGHTS

- **Sunrise Project design and engineering works progressing**
- **Project execution to transition to EPCM**
- **Fluor Australia to work with Clean TeQ to deliver Project Execution Plan**
- **Commissioning underway of three commercial-scale continuous ion-exchange metal recovery and water purification plants in DRC, Australia and Oman**
- **\$14.6 million R&D rebate received in July**

### About Clean TeQ Holdings Limited

Our vision is to empower the clean revolution by providing specialty materials and clean solutions to a range of industries using our proprietary Clean-iX<sup>®</sup> continuous ion exchange technology.

### Clean TeQ Sunrise

The Clean TeQ Sunrise Project is an advanced nickel, cobalt and scandium project in New South Wales which, when combined with our proprietary continuous ion-exchange 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. The Project also positions Clean TeQ to provide significant quantities of low-cost scandium for production of the next generation of lightweight aluminium alloys for key transportation markets.

### Clean TeQ Water

Clean TeQ's water division delivers cost effective water treatment solutions to the power, mining, oil and gas and municipal industries using our proprietary technologies, including Continuous Ionic Filtration & Exchange (CIF<sup>®</sup>) and DeSALx<sup>®</sup>. These technologies are designed to cope with the most demanding waters to provide best in class performance in water recovery and operability.

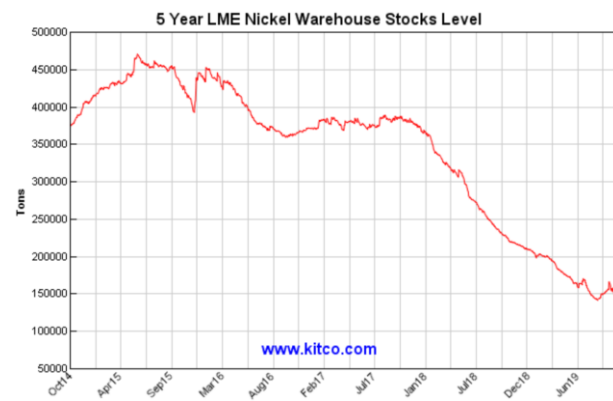
## CLEAN TEQ SUNRISE BATTERY MATERIALS COMPLEX

During the quarter, Clean TeQ Holdings Limited (**Clean TeQ** or the **Company**) continued to advance the development of the Clean TeQ Sunrise Project (**Sunrise** or **Project**) in New South Wales.

### MARKET UPDATE

The Sunrise Project is one of the largest and most cobalt-rich laterite deposits in the world. The Project will become a globally significant producer of nickel sulphate and cobalt sulphate – key cathode materials for the electric vehicle battery market. Sunrise is also one of the largest and highest grade scandium deposits in the world, positioning Clean TeQ to be a major supplier of low-cost scandium for production of next generation aluminium alloys for aerospace and automotive markets.

Battery materials markets were primarily focused on the volatile supply side situation for nickel during the quarter. Nickel prices surged on the back of significant supply side developments out of Indonesia and Philippines – major global suppliers of nickel ores for the stainless steel industry. The nickel price finished the quarter at five year highs of approximately US\$8.00/lb, with LME warehouse nickel stocks plummeting to record lows.



Indonesia, the world's largest nickel producer, said it would ban exports of ore from December 2019. The South East Asian country will bring forward a planned 2022 ban in an effort to attract more investment in downstream processing. Indonesia was forecast to export over 200,000 of contained nickel in ore this year, approximately 10% of global production.

The Philippines is the other major supplier of ores and intermediate nickel products to China. In September, Tawi-Tawi Province, a nickel mining hub in the southern Philippines which produces mostly high-grade nickel ore for direct export to China,

suspended extraction operations indefinitely. While the ban on Indonesian ore exports will provide opportunities for other suppliers to China, the Filipino mining industry is likely to be constrained by the country's current moratorium on new mining projects, strict environmental requirements and local government decisions to suspend the mining operations in Tawi-Tawi.

These latest developments serve to highlight the risk for downstream users in the nickel supply chain, including the rapidly emerging electric vehicle (**EV**) industry.

Cobalt markets were also impacted by significant supply side developments during the quarter. In August, the world's largest cobalt producer, Glencore, announced the suspension of operations from December 2019 at its Mutanda mine in DRC. The mine is to be placed on care and maintenance as a result of low cobalt prices, which have reduced the project's economic viability. Mutanda produced 27,300 tonnes of cobalt in 2018, more than half Glencore's total output, and approximately 20% of total global production.



The Sunrise Project was prominently featured in a report published by the Australian Commonwealth Government Office of the Chief Economist: *Outlook for Selected Critical Minerals*. The publication focuses on six critical minerals: niobium, rare earth elements, cobalt, antimony, magnesium and tungsten. These minerals have important uses in energy supply and technology and are projected to be in strong demand across the globe for a number of decades to come. Mine and/or refined output for these minerals is often dominated by two or three countries, and world markets are mostly nascent and under-developed. In all cases, Australia has been identified as one of the top six resource holders of each commodity, meaning there is strong potential for additional production and investment.

Appetite for offtake of nickel and cobalt sulphate from Clean TeQ Sunrise remains strong. Sunrise stands out as the most advanced development project, capable of bringing significant new nickel and cobalt supply to the EV market:

- Located in a stable legal and political jurisdiction with the highest standards of health, safety, environmental and community management and full auditability of supply

- Definitive Feasibility Study complete, demonstrating robust economics and long (+40 years) mine life
- All key approvals in place including Development Consent and Environmental Impact Statement
- Mining Leases granted
- Critical water supply obtained via +3.2 GLpa ground water allocation
- Excellent regional infrastructure in place including existing road, rail and power infrastructure in close proximity
- Initial binding offtake contract secured with Beijing Easpring for tonnages representing approximately 20% of forecast production in years 1-5, with strong demand for the balance from a number of counterparties

## PROJECT WORKS

The primary focus for the Sunrise Project team during the quarter was progressing early engineering and design work. Progress has been made on several key design and engineering areas over the past twelve months. These include:

- **Process Plant Design:** Process design criteria and mass balance modelling have been completed with delivery of piping and instrumentation diagrams – key deliverables required in order to progress to commencement of detailed engineering;
- **Procurement and long-lead items:** Key equipment procurement packages have been progressed, including the acid plant, co-generation power unit, sulphate crystallizers, autoclave feed pumps and the ore sizer. These packages have been scoped and tendered, with formal bids received from a range of international suppliers;
- **Specialist constructability and operational design:** Work on design services focused on safety and operability of the plant and efficiency of construction have been actioned including hazard studies, safety in design and a review of constructability and pre-assembly; and
- **Non-process plant infrastructure:** Engineering of non-process plant infrastructure (**NPI**) is progressing steadily with a focus on bulk earthworks, ancillary services and other NPI scope to support the mine and process plant.

In conjunction with the engineering deliverables, a comprehensive review was undertaken by Clean TeQ during the quarter to assess key risks in both the design and delivery of the Project. The review was undertaken to identify the most efficient and effective execution plan, assessing (among other things) the current process plant

design, proposed vendors of key equipment packages, contracting risk (as it affects both commercial risk and financing of the Project) and planning undertaken to date for commencement of mobilisation and construction in Australia.

The key outcome of that review is that Project execution will transition to a conventional Engineering, Procurement and Construction Management (**EPCM**) execution approach. The Project is best served by a delivery model that provides Clean TeQ with a higher degree of control over key aspects of project execution and management. Accordingly, in early October, Clean TeQ and MCC mutually agreed to terminate the MCC FEED Services Agreement and the EPC Heads of Agreement.

Over coming months Fluor Australia Pty Ltd (**Fluor**), as Sunrise Project Management Contractor (**PMC**), will work with the Company to deliver a comprehensive Project Execution Plan.



*Geotechnical drilling on the proposed processing plant site*



*Fencing program underway at the Sunrise Project site*

The scope of work for the integrated Fluor and Clean TeQ team will include a range of activities intended to deliver a comprehensive Project Execution Plan that sets up the Project for future delivery phases. This scope of work, which is scheduled to conclude in 2Q 2020, includes systematic collation and review of all the feasibility, engineering

and project development work undertaken for the Project to date. The principal deliverables contained within the Project Execution Plan are an updated capital cost estimate for the Project, incorporating input from design and engineering work to date, and a revised master schedule for the engineering, procurement, construction and commissioning of the Project. Prior to making a Final Investment Decision (**FID**), Clean TeQ will select an EPCM contractor for the engineering, procurement and construction phase of the Project.



*Planting native seedlings on site to provide a vegetation screen*

Over the quarter the Company also continued to progress a range of other desk top and site-based activities including:

- Working on early engineering and design of the Sunrise resin in pulp system within the Sunrise Project process plant flow sheet, based on basic engineering input from our Russian design engineers.
- Ongoing engineering and design of NPI infrastructure including the water supply pipeline and site earthworks.
- Additional geotechnical drilling at the proposed site of the Sunrise processing plant.
- A significant tree planting operation. Approximately 9,500 native species tree seedlings were planted around a number of Project area boundaries. In future years, the resulting vegetation screen will mitigate any visual amenity impacts of the Project.

## **PARTNERING PROCESS**

In June 2019, Clean TeQ announced that it had appointed Macquarie Capital to run a partnering process for its wholly owned Sunrise Battery Materials Complex. The partnering process has progressed well to date with numerous parties assessing an investment of up to 50% of the Sunrise project, in combination with long-term offtake arrangements. The interested parties participating in the process come from a broad range of geographies and industries, including groups from inside and outside the EV battery supply chain. Clean TeQ is targeting concluding the partnering process in the first half of 2020 to align with a FID planned for mid-2020. Clean TeQ will continue to keep shareholders updated in relation to the partnering process.

## **CLEAN TEQ WATER**

Clean TeQ Water is focused on completing key projects in Australia, Oman and DRC, with continued progress made over the past quarter. These three Clean TeQ systems are the first of their type anywhere in the world and have been deployed as part of three different technical solutions. The successful delivery and commissioning of these three plants will demonstrate the efficacy of Clean TeQ's suite of proprietary ion exchange technologies and their versatility for metal extraction and waste water treatment. As commercial scale plants, the facilities provide a valuable platform from which to rapidly grow Clean TeQ Water.

## **WATER PROJECTS**

At the Fosterville Gold Mine in Victoria, Australia, Clean TeQ was engaged to design, supply and commission a two million litre-per-day Clean TeQ DeSALx<sup>®</sup> mine water treatment plant. The plant is designed to deliver a sustainable water management

solution by treating mine process water for reuse in the mine operations. Construction of the plant was completed in Q1 2019. The commissioning process has been progressing and performance testing (required for completion and formal handover of the Clean TeQ plant) is scheduled for Q4 2019, subject to the successful commissioning of ancillary plant by the customer.



*Clean TeQ plant installation at Fosterville Gold Mine, Victoria*



*Clean TeQ CIF® plant constructed and awaiting commissioning in Oman*



In Oman, design, engineering and construction of the Clean TeQ waste water treatment plant at an antimony processing facility has been completed. The customer has commenced delivering waste water to the Clean TeQ CIF<sup>®</sup> plant for treatment and the Company is working on site to assist the customer with commissioning and operating processes. Based on the latest overall plant completion schedule advised by the customer, final handover of the Clean TeQ plant is expected in Q4 of 2019.



*Clean TeQ Continuous Resin-In-Column Ion Exchange plant in DRC*



*Clean TeQ Continuous Resin-In-Column Ion Exchange plant in DRC*

In the DRC, Clean TeQ has been engaged to design and construct a Continuous Resin-In-Column (**cLX**) Ion Exchange plant to treat up to 20 million litres-per-day of a raffinate

stream, removing contaminant metals and improving the quality and environmental rank of the raffinate, prior to further processing. All construction was completed during Q1 2019 with hot commissioning commencing shortly thereafter. Initial tests showed that the cLX plant was performing well, exceeding design expectations. However, an accidental uncontrolled release of very high-pressure water from the main plant into the cLX system resulted in some damage being caused to the Clean TeQ plant, taking it offline. As well as the damage caused by the high-pressure release, significant corrosion was identified in some parts of the plant which were provided to the customer by a third-party equipment supplier. The damage is currently being repaired and some additional modifications are being installed upstream of the cLX plant to prevent a similar event occurring again. Expectations are for a restart of the plant over the coming months, with performance testing of the cLX system to follow thereafter.

## **WATER TECHNOLOGY DEVELOPMENT**

The Company continued to expand its water technology platform during the quarter with the ongoing development of the encapsulated bacteria 'CleanBio Lenses' manufacturing facility in China. In 2018 Clean TeQ acquired an encapsulated bacteria technology from LentiKats, comprising technology licences and a production plant for the manufacture of CleanBio Lenses. The CleanBio technology is useful in water treatment applications given the bacteria's ability to break down and remove over ninety percent of harmful nitrates and ammonia from waste water. The bacteria are encapsulated in proprietary 'lenses' to increase their effectiveness and protect them from harmful conditions in the waste waters. CleanBio also has potential applications in the food and pharmaceuticals industries as well as in the development of encapsulated enzyme lenses.

The Company has established a production facility for CleanBio lenses in China for application in its growing pipeline of global projects. During Q2 2019 the Company completed the transportation and installation of the lens manufacturing equipment at a facility in Tianjin, China. During Q3 2019 the first trial production runs for both blank lenses and inoculated lenses were successfully undertaken. Over the coming months the Company will continue to operate the production facility with different calibrations and minor modifications in order to achieve stable lens production at consistent quality. The mechanical and thermal parameters of the production process, as well as the chemical mix and the biology (inputs and cultivation) of the encapsulated bacteria, need to be calibrated correctly before this can be achieved. Upon achieving this milestone, the Company will seek to deploy the lenses on a commercial basis, as part of other Clean TeQ water treatment processes and potentially as a stand-alone product for sale.

## OTHER PROJECTS

Clean TeQ Water has been advised that it is the preferred technical solution for the design and construction of a recycled water re-use plant at the Cleveland Bay Purification Plant in Townsville. Commercial negotiations between the parties are ongoing. Final award of a contract will be subject to a range of conditions including agreement on commercial terms and financing.

## TECHNOLOGY DEVELOPMENT

Clean TeQ's technology development team continues to advance its work in the development of graphene oxide nanofiltration membranes and adsorbents, as well as ongoing development of the CIF<sup>®</sup> technology for water treatment applications.

## NEMATIQ JOINT VENTURE

In late 2018, Clean TeQ and Ionic Industries established a joint venture company NematiQ Pty Ltd (**NematiQ**) to pursue in partnership the development of graphene oxide (**GO**) membranes for water treatment applications. Clean TeQ and Ionic have developed a process to manufacture high-purity GO that can be applied to a membrane support to create a graphene nanofiltration membrane (**GO-Membrane**). Significantly, the GO-Membrane manufacturing process has been demonstrated on commercial scale industrial equipment.

NematiQ has established a factory and office premises in Notting Hill, adjacent to the existing Clean TeQ head office and laboratory. From this facility, NematiQ is focused on optimising its proprietary process for refining graphite oxide raw material into graphene oxide, which is used to form the filtration layer of the GO-Membrane. A pilot plant for the manufacture of high purity graphene oxide has been designed and installed at NematiQ's premises, with graphene oxide produced by the facility to be used for larger scale manufacture of graphene oxide membranes.

The ultimate goals of the NematiQ work programs are to:

1. Confirm the technical process and cost effectiveness of the refining process to convert the raw material graphite oxide into high purity GO. This process has been successfully completed;
2. Demonstrate the GO coating process at commercial scale using a specialised process developed and patented by Monash University and licensed to NematiQ. This process has been successfully completed; and,

3. Refine the printing process to demonstrate the ability to produce GO-Membranes at commercial scale with the appropriate physical properties, flow rates and filtering capability – ongoing work.

The work completed during the quarter by the NematIQ team has been focused on step three above, aimed at production of a marketable GO-Membrane product.

In water purification applications, graphene oxide membranes have the potential to offer distinct operational advantages over the current polymer nanofiltration membranes, providing a significant commercial opportunity should the technology prove successful.

The benefits of graphene oxide nanofiltration membranes when compared to conventional nanofiltration membranes include higher flux (flow rates) and lower propensity to fouling. These benefits have the potential to deliver lower operating costs, longer membrane life and lower maintenance costs.

## CORPORATE

As at 30 September 2019, the Company's cash balance was A\$73.2 million.

In July 2019, the Company received a cash payment of A\$14.6 million from the Australian Tax Office, representing the refundable tax offset available under the Research and Development (R&D) Tax Incentive for FY18. Clean TeQ's R&D activities during FY18 included valuable work to further advance the Company's proprietary Clean iX<sup>®</sup> continuous ion exchange technology platform. These efforts have generated significant benefits for the development of the Clean TeQ Sunrise Nickel/Cobalt/Scandium Project, as well as several important projects currently being commercialized within Clean TeQ Water.

The R&D Tax Incentive program is designed to provide targeted R&D rebates and tax offsets to encourage more companies to engage in R&D in Australia. The R&D tax incentive aims to boost competitiveness and improve productivity across the Australian economy by encouraging industry to conduct R&D that may not otherwise have been conducted.

The ATO jointly administers the R&D tax incentive with the Department of Industry, Innovation and Science (on behalf of Innovation and Science Australia).

**For more information about Clean TeQ contact:**

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## **FORWARD-LOOKING STATEMENTS**

Certain statements in this Quarterly Activities Report 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, the Clean TeQ Sunrise Project, 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 by the use of 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 Quarterly Activities Report. Statements in this Quarterly Activities Report that constitute forward-looking statements or information include but are not limited to, statements regarding: the completion of the project execution plan and project financing; the timing and commencement of construction at the Project; the making of a final investment decision in 2020; finalisation of product offtake agreements; and anticipated construction and/or successful completion of the various Clean TeQ Water projects and research and development undertakings.

Readers are cautioned that actual results may vary from those presented.

All such forward-looking information and statements are based on certain assumptions and analyses made by Clean TeQ’s management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations.

Other important factors that could cause actual results to differ from these forward-looking statements also include those described under the heading “Risk Factors” in the Company’s most recently filed Annual Information Form available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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

Although the forward-looking statements contained in this Quarterly Activities Report 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 Quarterly Activities Report 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 Quarterly Activities Report.

## 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, 01/09/16w

**Name of entity**

CLEAN TEQ HOLDINGS LIMITED

**ABN**

34 127 457 916

**Quarter ended ("current quarter")**

September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	144	144
1.2 Payments for		
(a) research and development	(140)	(140)
(b) product manufacturing/operating costs	(141)	(141)
(c) advertising and marketing	(196)	(196)
(d) leased assets	(369)	(369)
(e) staff costs	(956)	(956)
(f) administration and corporate costs	(4,785)	(4,785)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	387	387
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	14,549	14,549
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>8,493</b>	<b>8,493</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40)	(40)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(14,169)	(14,169)
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(14,209)</b>	<b>(14,209)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from shareholder loans	50	50
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>50</b>	<b>50</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	78,871	78,871
4.2 Net cash from / (used in) operating activities (item 1.9 above)	8,493	8,493
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(14,209)	(14,209)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	50	50

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>73,205</b>	<b>73,205</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	73,205
5.2	Call deposits	-
5.3	Bank overdrafts	-
5.4	Other (provide details)	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>73,205</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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



**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

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)

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.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(533)
9.2 Product manufacturing and operating costs	(338)
9.3 Advertising and marketing	(75)
9.4 Leased assets	(340)
9.5 Staff costs	(5,715)
9.6 Administration and corporate costs	(708)
9.7 Clean TeQ Sunrise Project Costs	(18,304)
<b>9.9 Total estimated cash outflows</b>	<b>(26,013)</b>

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**

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

Sign here: .....  
Company secretary

Date: 29 October 2019

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.