

Target Market Determination

Made by: CLEAN TEQ WATER LIMITED (ACN 647 935 948) of Unit 12, 21 Howleys Road Notting Hill, Victoria 3168 (**Company**).

Product: Free Options (**Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) offered in connection with an offer of Shares by way of placement and a share purchase plan under a prospectus dated 16 May 2024.

Effective Date: 16 May 2024

1. About this document

This target market determination (**TMD**) has been prepared by the Company in relation to offers (**Offers**) by the Company to issue Options under a prospectus issued pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and dated 16 May 2024 (**Prospectus**). A copy of the Prospectus is available on the Company's website, www.cleanteqwater.com.

The Offer is made under the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options under the Offer will need to follow the instructions in the application form that will accompany the Prospectus. There is no cooling off period in respect of the issue of the Options.

The Options are being offered under the Prospectus, partly so that the Options issued under the Offers will be freely tradeable (and the Shares issued on exercise of those Options will also be freely tradeable due to the operation of *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*). Application will be made to ASX for official quotation of the Options offered under the Prospectus. The Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied. Failure to obtain official quotation of the Options will not prevent the issue of the Options and will not cause any such issue to be void pursuant to the Corporations Act, as the Offers are not conditional upon official quotation of the Options being granted. If official quotation is not granted, the Options issued pursuant to the Offers will not be able to be traded on ASX. However, the SPP Offer is conditional on the relevant Shares which are issued pursuant to the SPP Offer being admitted to official quotation by ASX before the expiration of three months after the date of issue of the Prospectus (or within such longer period as may be permitted by law).

This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgment, with the Australian Securities and Investments Commission (ASIC).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Target Market Determination

This TMD sets out the class of consumers for which the Options are the target market, the distribution conditions, triggers to review the target market and certain other information in accordance with the requirements of section 994B of the Corporations Act.

The product (**Options**) is likely to be appropriate for an investor who has the right, but not the obligation, to gain exposure to equities in a small cap company involved in the development and sale of technology solutions for water treatment and water reuse and resource recovery to government entities and companies.

<p>Class of consumers that fall within this target market</p>	<p>The Options have been designed for investors whose likely objectives, financial situation and needs are aligned with the product (including the key attributes).</p> <p>The Options are for those who:</p> <ul style="list-style-type: none"> • are permitted to acquire securities pursuant to the Prospectus and are applying for Options under the Prospectus. Specifically, the Placement Investors in relation to the Placement Options Offer and Eligible Shareholders in relation to the SPP Offer that are allocated Options, pursuant to the Offers made by the Company under the Prospectus; • seek to profit from an appreciation in the market price of Shares in the Company and/or who have a long-term view on the Shares or the underlying assets of the Company; • wish to participate in any potential future distribution should operations be successful; and • are accustomed to participating in speculative investments in small cap technology development focused entities. <p>The Options are issued only to applicants under the Offers and consequently have been designed for consumers who:</p> <ul style="list-style-type: none"> • will acquire Options under the Offers; • have the financial ability to consider the economic risk of the exercise of the Options; • given the speculative nature of the Shares and Options, have adequate means to provide for their current needs and to withstand a loss of the entire investment of the Shares and Options; • have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of exercising the Options; and • have determined that the Shares and Options are a suitable investment. <p>The key product attributes of the Options are described in the Prospectus and in summary are:</p> <ul style="list-style-type: none"> • the holders of Options will be entitled to one Share upon exercise of each one Option; • the Options will be issued for nil consideration and are exercisable at \$0.45 per Option with an expiry date of 30 April 2026; • the Company will apply to have the Options quoted on the ASX (but this is not a condition of the Offers). <p>The Company considers that an investment in the Options is high risk and speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p>
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	<p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the high risks of investing in Options as an asset class generally and the high risks of investing in the Company.</p>
Excluded class of consumers	<p>The Options have not been designed for retail individuals who:</p> <ul style="list-style-type: none"> • require an income stream from their investment; • do not ordinarily invest in speculative investments in the technology development sector; • are resident outside of Australia or New Zealand; and/or • are not applicants under the Offers.
Conditions and restrictions on distribution	<ul style="list-style-type: none"> • The key restrictions on distribution of the Options are: <ul style="list-style-type: none"> ❖ the Offers, which includes the Options, is only being made to shareholders in the Company at the record date of 26 April 2024 and with a registered address in Australia or New Zealand, or to participants in the Company's recent placement (Eligible Shareholders); ❖ Eligible Shareholders may purchase up to \$30,000 of new Shares under the Offers at \$0.31 per Share; and ❖ any Shares and Options not taken up under the SPP Offer will form a shortfall offer. • The Company considers that these distribution conditions will ensure that persons who invest in the Options fall within the target market (those who have received and apply under the Prospectus and subscribe for Options).
Review Triggers	<p>As the Offer of the Options is to a discrete class of persons (being the Eligible Shareholders), is only open for a limited time under the Prospectus, and the Company is subject to continuous disclosure requirements, the Company considers it is not necessary or appropriate to implement the requirement of periodic reviews of this TMD.</p> <p>The Company will review this TMD where any event or circumstance has arisen that would suggest this TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; • the occurrence of a significant dealing (as that term is described in ASIC Regulatory Guide 274.158); • an unreasonable number of consumer complaints or feedback from those who distribute or acquire the product; and • significant adverse changes to the Company's circumstances.

	This TMD will be reviewed within 10 business days upon the occurrence of a review trigger.
Maximum Period	Subject to any review triggers, the maximum period of this TMD is the period between the commencement of the offer of the Options and the issue of the Options shortly after the close of the Offers, after which the TMD will be withdrawn
Reporting Requirements	<p>Complaints relating to the Options should be provided directly to the Company as soon as practicable by any person including distributors of the Options. The Company will review all complaints received in relation to the Options on a continuous basis.</p> <p>Distributors who become aware of any significant dealings (as that term is described in ASIC Regulatory Guide 274.158) must notify the Company as soon as practicable but no later than 10 business days after the distributor becomes aware of the significant dealing.</p> <p>Distributors who become aware of any dealings outside of the target market or receive complaints that would reasonably suggest that the TMD is no longer appropriate must notify the Company as soon as practicable but no later than 10 business days after the distributor becomes aware of the dealing or complaint outside of the target market with such information as reasonably necessary to allow the Company to identify the kinds of persons dealing or giving such complaints.</p> <p>The Company will not be in a position to determine any dealings that occur upon exercise of an Option or on-sale of any resultant Share, as it has no capacity to identify the objectives, financial situation and needs of investors who exercise the Options or acquire the resultant Shares.</p>

3. Contact Details

Contact details in respect of this TMD for the Company are:

Anita Addorisio

Company Secretary

Email: info@cleanteqwater.com