

Investors' Corner

Citiplace, Perth
for ASA, 21st September 2023
Convenor: Mark Dixon

A photograph of a fire safety cabinet. Inside, a red fire extinguisher is visible in the background, and a white fire hose is coiled on a metal reel in the foreground. The cabinet is open, showing the equipment.

Citiplace - Emergency Procedure

- ▶ If smoke is detected, or fire alarm is raised, follow exit signs
- ▶ Upon evacuating the building, meet at ***designated area***
- ▶ Do not use lift in an emergency
- ▶ **Designated area**
 - ▶ Turn right from the Citiplace Centre and proceed over the bridge to the pond area past the Art Gallery, if safe to do so.
 - ▶ Regroup there for head count if safe to do so.
 - ▶ If emergency personnel instruct differently then follow their directions.

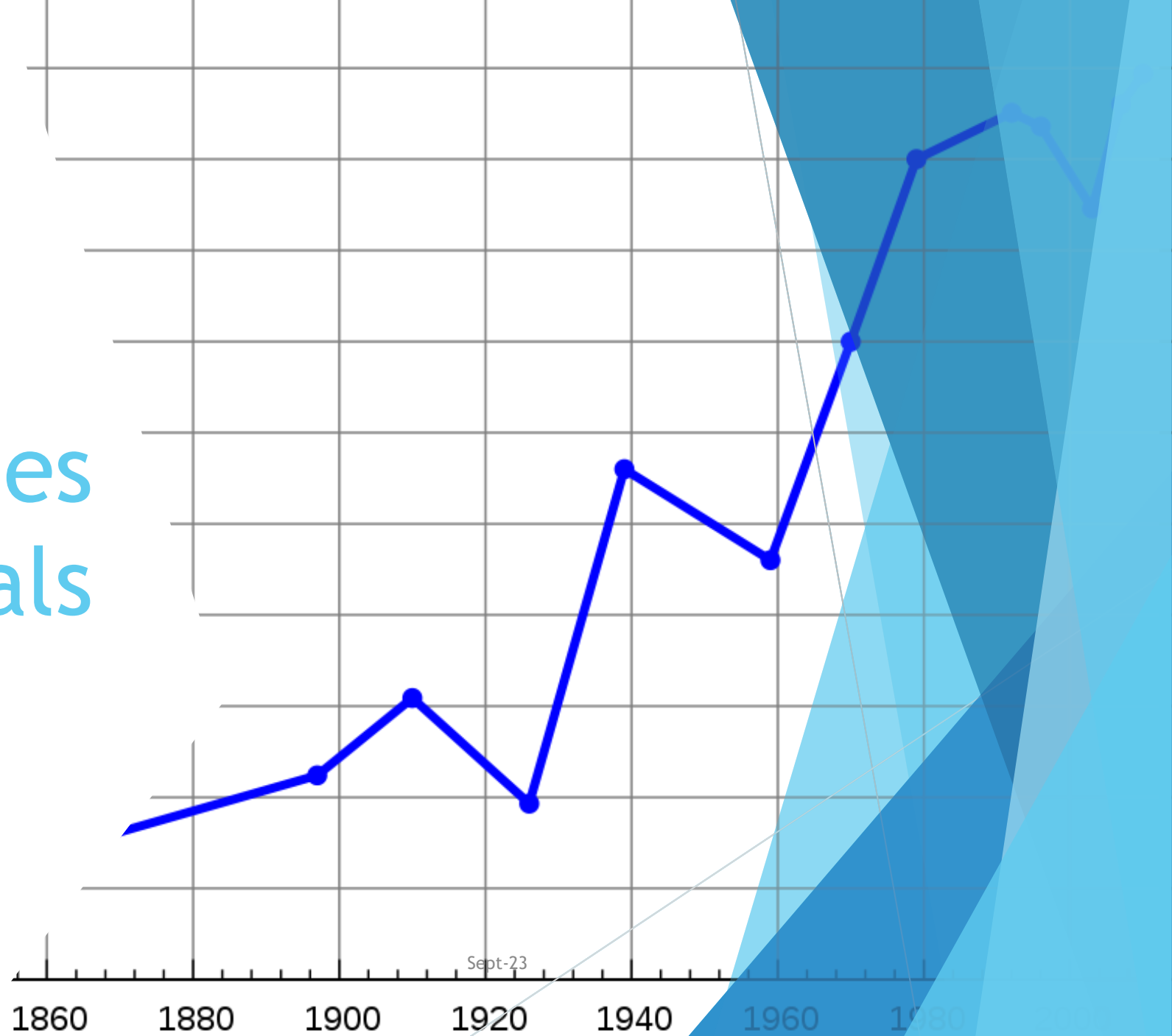
Disclaimer

- ▶ The Australian Shareholders' Association (ASA) has provided the facilities for this meeting to provide general information about the ASA and to stimulate interest in financial markets.
- ▶ The ASA is not licensed to give financial advice.
- ▶ Presentations made here are not designed to provide any specific investment advice to any person present.
- ▶ The ASA does not accept any responsibility to inform you of any matter that subsequently comes to our notice that may affect any of the information discussed.
- ▶ Anyone wishing to act on any matter discussed should seek independent advice from a licensed financial adviser.

Agenda

- ▶ Intro – welcome, emergency procedure, disclaimer
- ▶ Peter Scales – Macro-technical, with discussion
- ▶ Mark Dixon – trading into a recession?
- ▶ David Brooke – Clean Teq Water
- ▶ Les Szancer – IPO on Golden Globe Resources
- ▶ Additional material for the group
- ▶ Next meeting – 19th October
- ▶ Close ~ noon.

Peter Scales Macro-Technical



Stockmarket Game - now to Nov 23

ASA Perth City Group

League table - ASA Perth City Group

Rank 158 - Average portfolio value : \$48,154.60

Edit Invite

#	Participant user name	Portfolio value
1	MDofPerth (Mark Dixon)	\$49,751.73
2	Lorraine (Lorraine Graham)	\$46,557.47



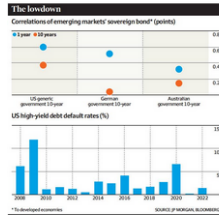
Trading into a Recession

– Mark Dixon

NZ's economy to stall for two more years

13/09/2023 ■■■■

Wellington | New Zealand will avoid a double-dip **recession** but faces larger budget deficits and a longer road back to surplus, according to the nation's Treasury.



How to reap higher yields offshore as rate rises ease

13/09/2023 ■■■■

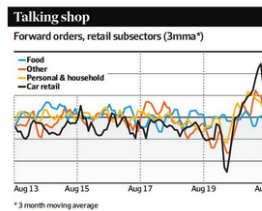
Maybe assume a **recession** and that spreads will rise [and prices fall].



Grantham's two surprising messages

13/09/2023 ■■■■

The US economy is "beginning to unravel" and a **recession** is a 70 per cent probability. He would be "very careful with real estate all over the world" given "20 years of declining mortgage rates have driven real estate to really crushing high multiples of family income".



Electronics, car orders dry up as shoppers close wallets

13/09/2023 ■■■■

NAB economist Taylor Nugent said the only other time consumer sentiment had been so weak for so long was in the 1990s **recession**, though it was even weaker at that time.



Investors fear American consumers are about to hit a wall

12/09/2023 ■■■■

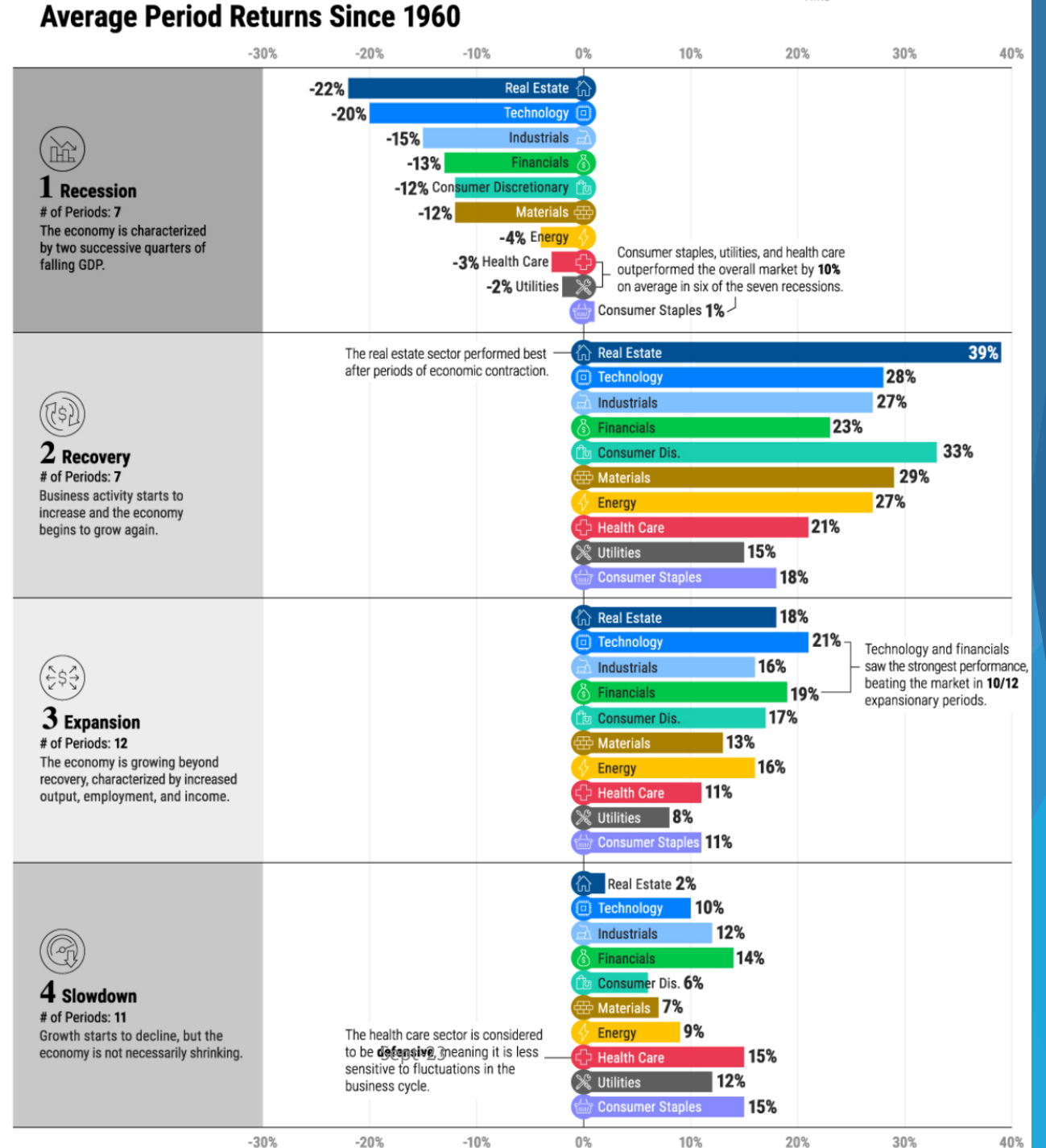
After staving off **recession** for longer than many thought possible, investors are concerned that the US consumer is finally about to crack.

Sept-23

S & P 500 Sectors over the Business Cycle

SPDR America's Research, via Visual Capitalist

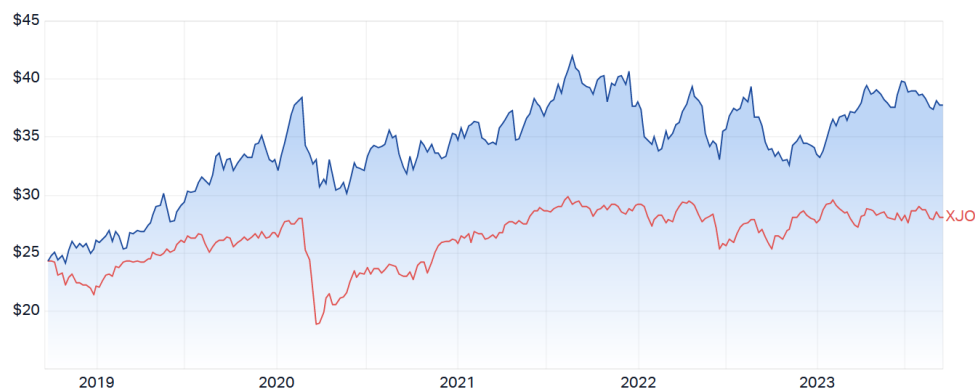
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Strong Consumer Staples / Defensives

► Woolworths (in ASX20)

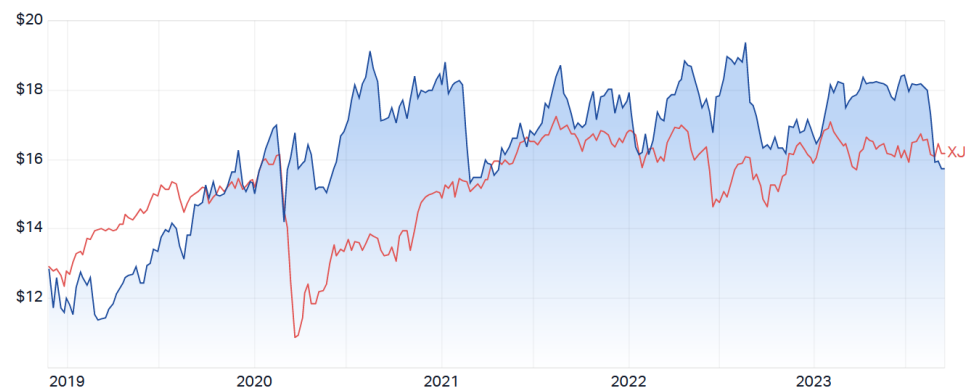
WOW ASX Chart



1 Year return: >7%, dividend: 2.62% franked.
Good perf in recent report (Aug-23).

► Coles (in ASX50)

COL ASX Chart



1 Year return: **-5.7%**, dividend: 4.2% franked.
Price dropped when results released (Aug-23)- fairly good perf but a drop in Net Profit & EPS. Citi (Motley Fool): **Buy!**

Other promising consumer staples

► Australia (ASX):

Code	Company	\$/share	1 Year
UMG	United Malt Group	\$4.93	40%
ING	Inghams Group	\$3.38	30%
CGC	Costa Group Holdings	\$2.89	8%
BIO	Biome Australia	\$0.13	74% [small, Mkt-cap ~ \$20mil]

► International (ASX): IXI - iShares Global Consumer Staples ETF \$91.55 6.13% + 2%div

UMG — United Malt Group Ltd

United Malt Group is fourth largest commercial maltster globally, producing ingredients for the brewing, distilling and food markets.

UMG ASX Chart



43% - 1 year gain. \$0 dividends.

Revenue: \$1.4bil/year; M/cap: \$1.5bil (in ASX300 (240)).

Acquisition pending (~\$5) - board recommends accept.

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Sept-23



ING — Inghams Group Ltd

Inghams Group produces and sells chicken and turkey products.

ING ASX Chart



31% - 1 year gain. 1.5% dividend. In ASX300, #265.

14.8% then 12% rallies on FY23 results (17-Aug).

Revenue: \$3 billion (+12%); M/cap: \$1.3 billion.

Biggest investors: institutional; directors buying.

Sept-23

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CGC — Costa Group Holdings Ltd

Biome Australia develops, manufactures & distributes innovative evidence-based products branded Activated Nutrients, and AXP.

CGC ASX Chart



18% - 1 year gain. 3% dividends.

Revenue: \$7mil/year; M/cap: \$20 mil (outside XAO (1,500)).

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Sept-23

BIO — Biome Australia Ltd

Biome Australia develops, manufactures & distributes innovative evidence-based products branded Activated Nutrients, and AXP.

BIO ASX Chart



74% - 1 year gain. \$0 dividends.

Revenue: \$7mil/year; M/cap: \$20 mil (outside XAO (1,500)).

Shareholder Tegoni has 5% and is buying; directors are buying.

Sept-23

IXI — Global Consumer Staples ETF

Underlying Index: S&P Global 1200 Consumer Staples Sector Index

IXI ASX Chart



6.3% - 1 year gain. 2% dividend.

M/cap: \$212 mil.

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iShares®
by BlackRock

Sept-23

David Brooke

— Clean TEQ Water





CNQ

Cash flow +ve (0.2m) final 30th June quarter



Delivering innovative waste water treatment solutions

MARKET CAPITALISATION	\$23.15m
SHARES ISSUED	57,876,580
CASH	\$4.9m
Enterprise value	\$18.25m

Clean TeQ Water – An emerging leader in water technology solutions

Innovative and agile company with validated technology solutions

- 🌐 **Global water technology delivery**
across Australia, Asia, Africa and the Middle East
- 🔍 **Three large key markets with sustainability tailwinds**
industrial brine treatment, municipal effluent / ground water re-use and mining wastewater and metal recovery
- 📈 **Multiple paths to high margin revenue growth**
- 🔒 **Extensive international IP protection**
- 👥 **Significant pipeline with opportunity for near term conversion**

Business Update

Key Operational Highlights – FY23 to date

Water Solutions

- 1. Improving project margins and increasing profitability
- 2. Commissioning Koumala drinking water and PWC uranium removal
- 3. Signed and started implementation large scale Townsville contract
- 4. Partnership with leading UK environmental company ENVA, pursuing four projects with industrial clients in Europe
- 5. Signed distribution partnership agreement with Stitchwise for use of the ATA™ technology in underground backfill operations
- 6. Strong pipeline of additional opportunities

Metal Recovery

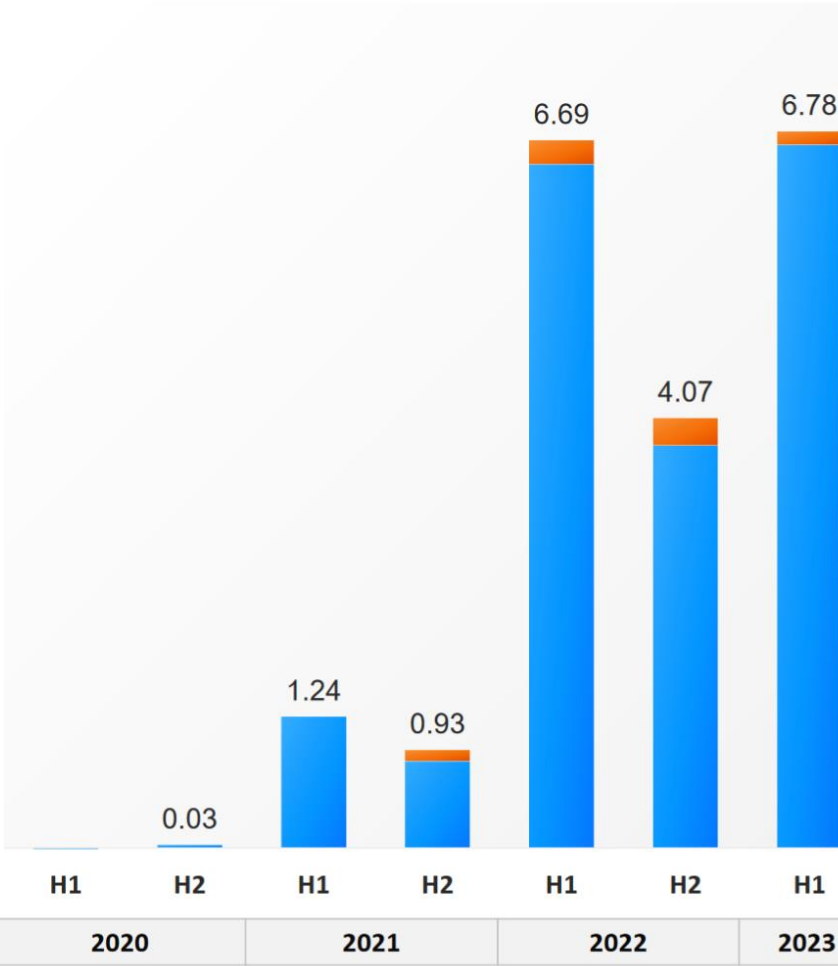
- 5. Establishment of Go2Lithium joint venture with Computational Geosciences Inc. for Lithium extraction from brines in North America using Clean TeQ Water’s proprietary Direct Lithium Extraction (cDLE™) technology
- 6. Start of testwork at Kamoia-Kakula for recovery of copper in tailings

NematiQ

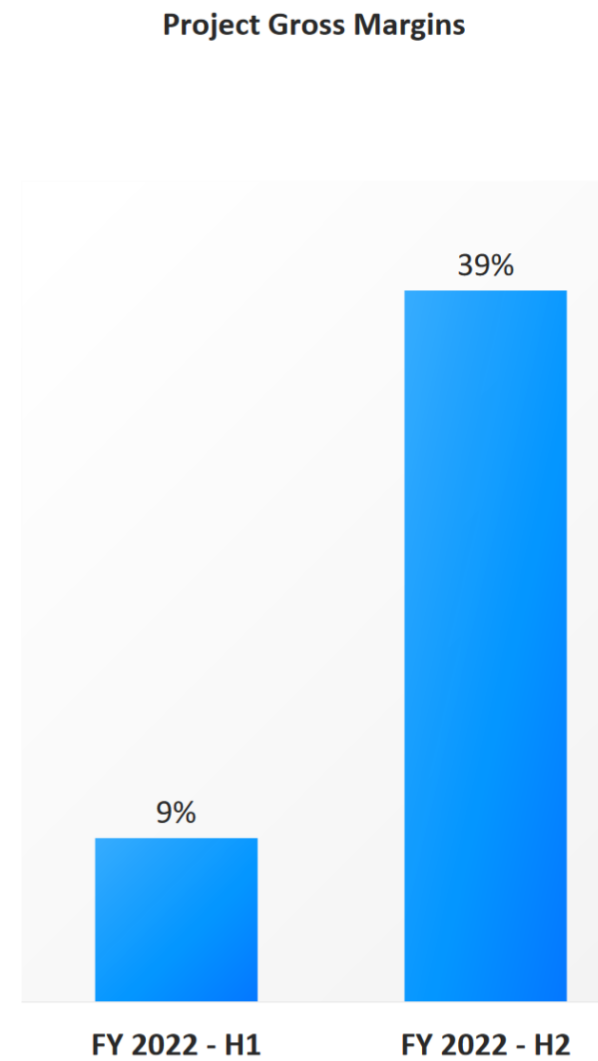
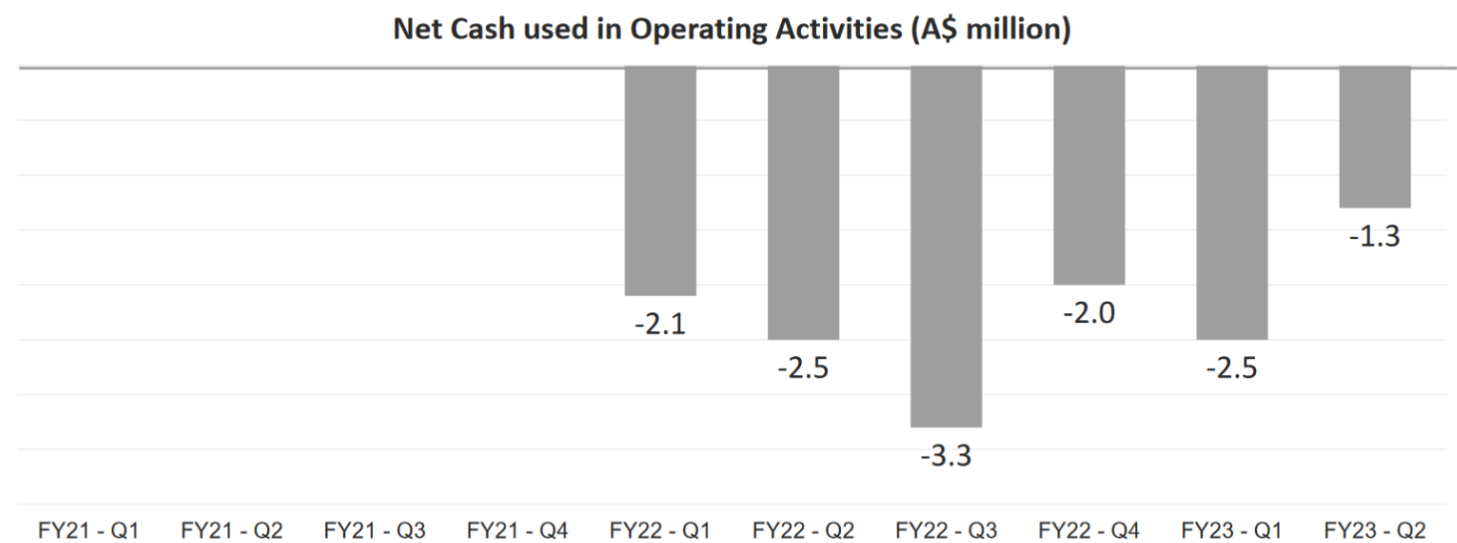
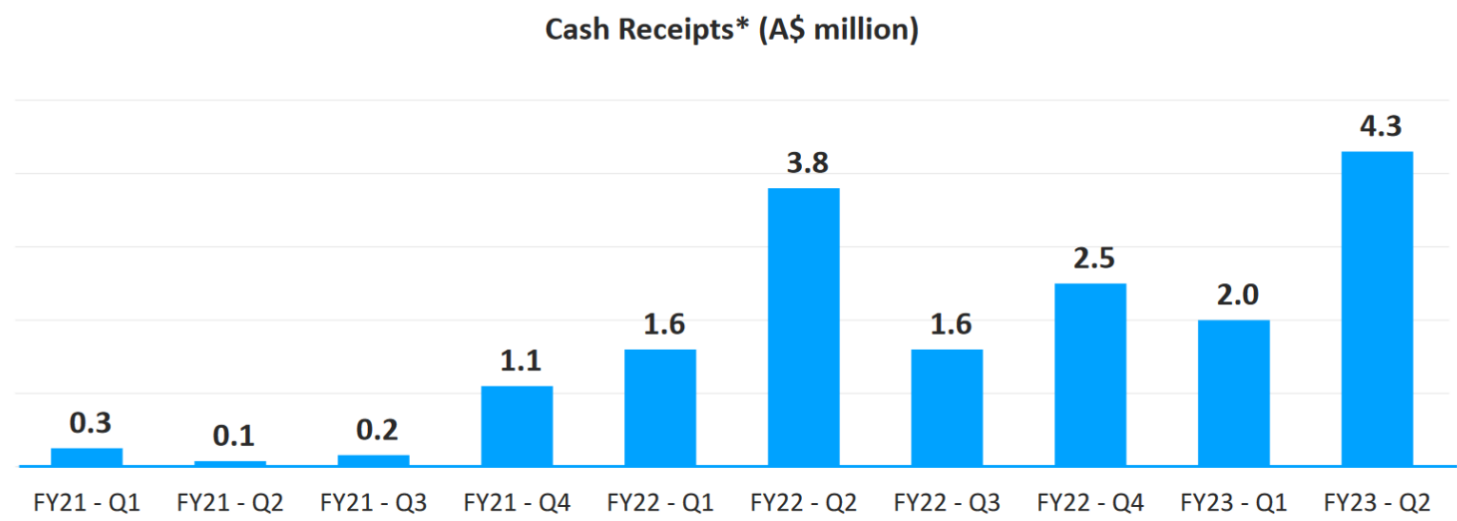
- 7. Excellent results from first on-site pilot at agricultural processing company

Schreurs and Son’s

Sales Revenues (A\$ Million)



Improving Cash Flows and Profitability



* FY2021 Cash Receipts represent Water customer receipts to Sunrise Energy Metals prior to Demerger.

Business Overview

Operating across three business units delivering a unique and scalable technology offering



Water Solutions

Water Technology solutions providing semi-customised advanced water treatment solutions and related consumables



Graphene Membranes

NematiQ produces Graphene Membranes as a consumable and modules for supply directly to end-users and various partners



Direct Metal Extraction

A set of technical solutions to extract high purity metals directly from solution to be applied to pollutants and valuable metals

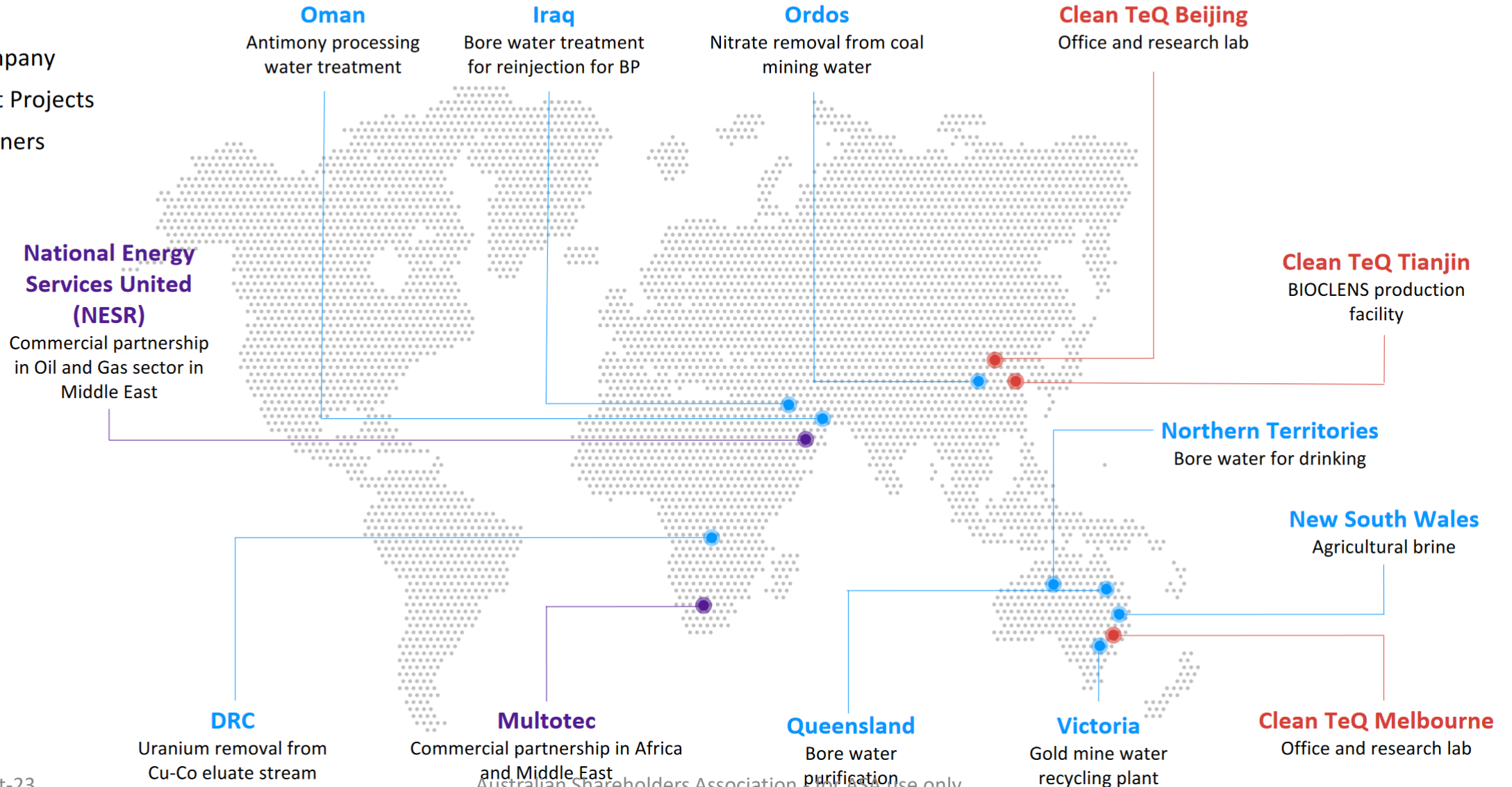


CLEAN-IX® - cRIP
CLEAN-IX® - cRIL
CLEAN-IX® - cLX
CLEAN-IX® - U-Column

Geographic Exposure

Global presence with strong foothold to accelerate commercial expansion

- Company
- Pilot Projects
- Partners



Project Completions Expand Footprint in Australia Drinking Water Sector



Laramba Uranium removal through IX

- \$ 5m project for Uranium removal from ground water
- Part of a \$ 28m program to improve water to Aboriginal communities



Queensland drinking water project through IX

- Hardness removal and salinity reduction from ground water
- Improvement of drinking water quality in local community

Other Recent Projects Update



Nitrate removal inner Mongolia

- Coal mine waste water
- Nitrate removal with no secondary waste

Project update

- BIOCLENS portion awaiting installation
- Soft handover, plant operated by end-user.



Reinjection water for BP in Middle-East

- Increase recovery of bore well water treatment from 30% to 90%,

Project update

- Construction close to finalized, preparing for commissioning phase



Agricultural brine recycling

- World-leading tannery located in NSW
- EVAPX to recycle brine at reduced energy and therefore carbon footprint

Project update

- Hot commissioning ongoing



Townsville Municipal Recycling

- \$ 10m 15 MLD project
- Recycled water for industry and irrigation

Project update

- Equipment design finished
- Major equipment contracts ordered
- Foundation finished

Cooperation Agreement with Leading UK Environmental Company Enva

The Enva logo consists of the word "enva" in a green, lowercase, sans-serif font.

- Enva is a UK based waste management company, employing around 1500 people across 30 facilities
- Enva has a leading position in the dairy, pharmaceutical, and industrial sectors
- Parties are currently pursuing four projects with multinational companies
- First customer paid testing for PHOSPHIX™ has commenced

ATA™ Distribution Agreement in South Africa with Stitchwise



Stitchwise:

- Leading South-African provider of back-fill operations operating 60% of underground mines

Distribution Agreement:

- Exclusive use of ATA™ dewatering technology for Stitchwise customers
- License fee per m3 treated plus sourcing of polymers from CNQ
- CNQ to provide technical support

Next:

- Multiple inquiries from leading mining companies, driven by safety concerns and the need to reduce footprint and legacy liabilities
- Aim to expand across the global tailings management market estimated to reach US\$ 260 billion by 270*

Commercial Outlook Water Solutions



Australia and Rest of the World:

- Strong follow-up interest from latest projects in Australia
- Middle-east/NESR awaiting delivery of large scale HIROX plant
- High potential leads from mining customers across the world



Europe Interest:

- Strong technology fit
- Regulatory pressure and strong demand from multinationals driving innovation
- Pursuing over 30 new projects including multiple pilots



China Recovery:

- COVID regulations ended
- Governments budgets limited, but industrial sectors expected to increase investments
- Pursuing new partnerships focused on industrial sectors with three ongoing pilots

Progress Towards Entry into Lithium Production with Establishment of JV



- Go2Lithium Inc formally established as Canadian entity
- 50/50 JV with Computational Geosciences Inc (a subsidiary of Ivanhoe Electric)
- Continuous Direct Lithium Extraction (cDLE™) showing significant improvement in lithium recovery and upgrade
- Lab and Demonstration plants being readied for transport to Canada or USA

Tianjin CleanBio[®] Lens facility

Targeting cost-effective nitrate removal



Raw material production

Blank CleanBio[®] Lens production calibration and optimization in progress

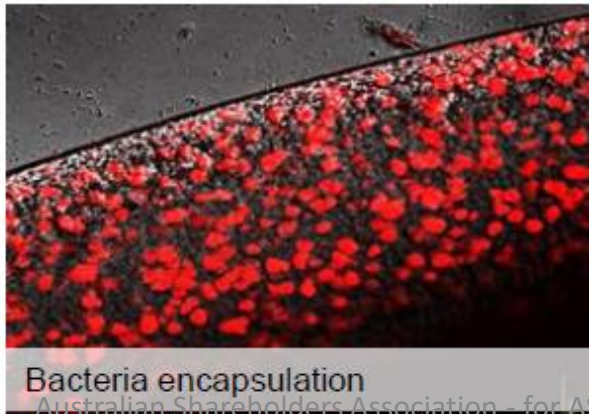
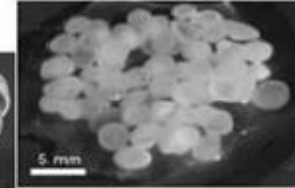
Starting calibration of production and cultivation of bacteria-inoculated CleanBio[®] Lenses



CleanBio[®] Lens production line



Lenses



Bacteria encapsulation

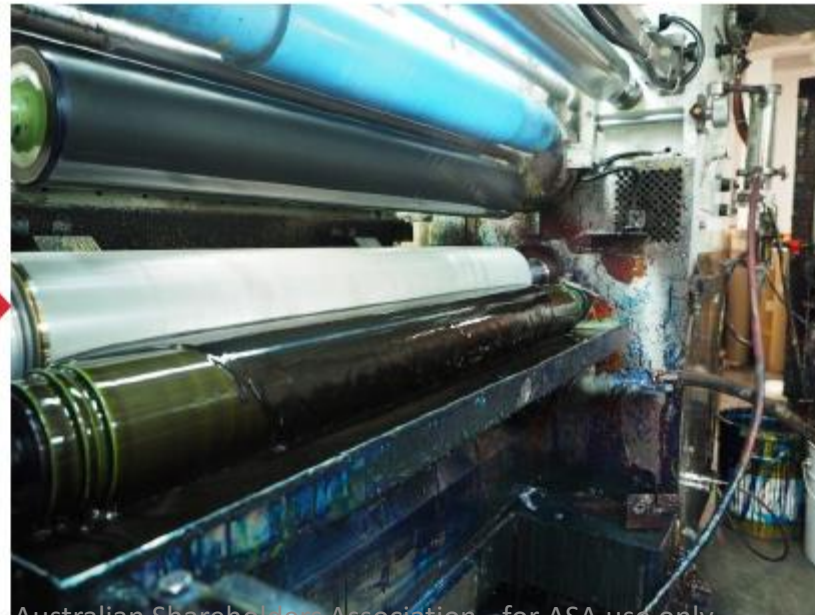


Cultivation area

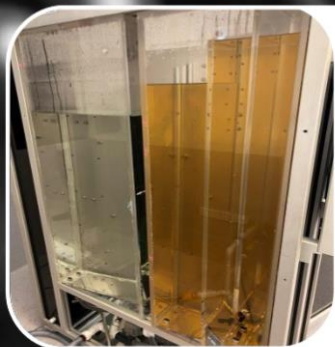
Graphene oxide membranes

Potentially superior membrane performance

- Joint Venture with Ionic Industries (NematiQ) to progress GO-membrane development
- Graphene oxide-based membranes have the potential to deliver significant benefits due to their high water flux, tunability and non-fouling properties
- Targeting next key stage-gate decision by year-end



NEMATIQ Lab Testing Across Market verticals



Grey water
recycling in
Australia



Textile
waste
Water



Drinking
water
organics
removal



Pulp and
paper
black
liquor

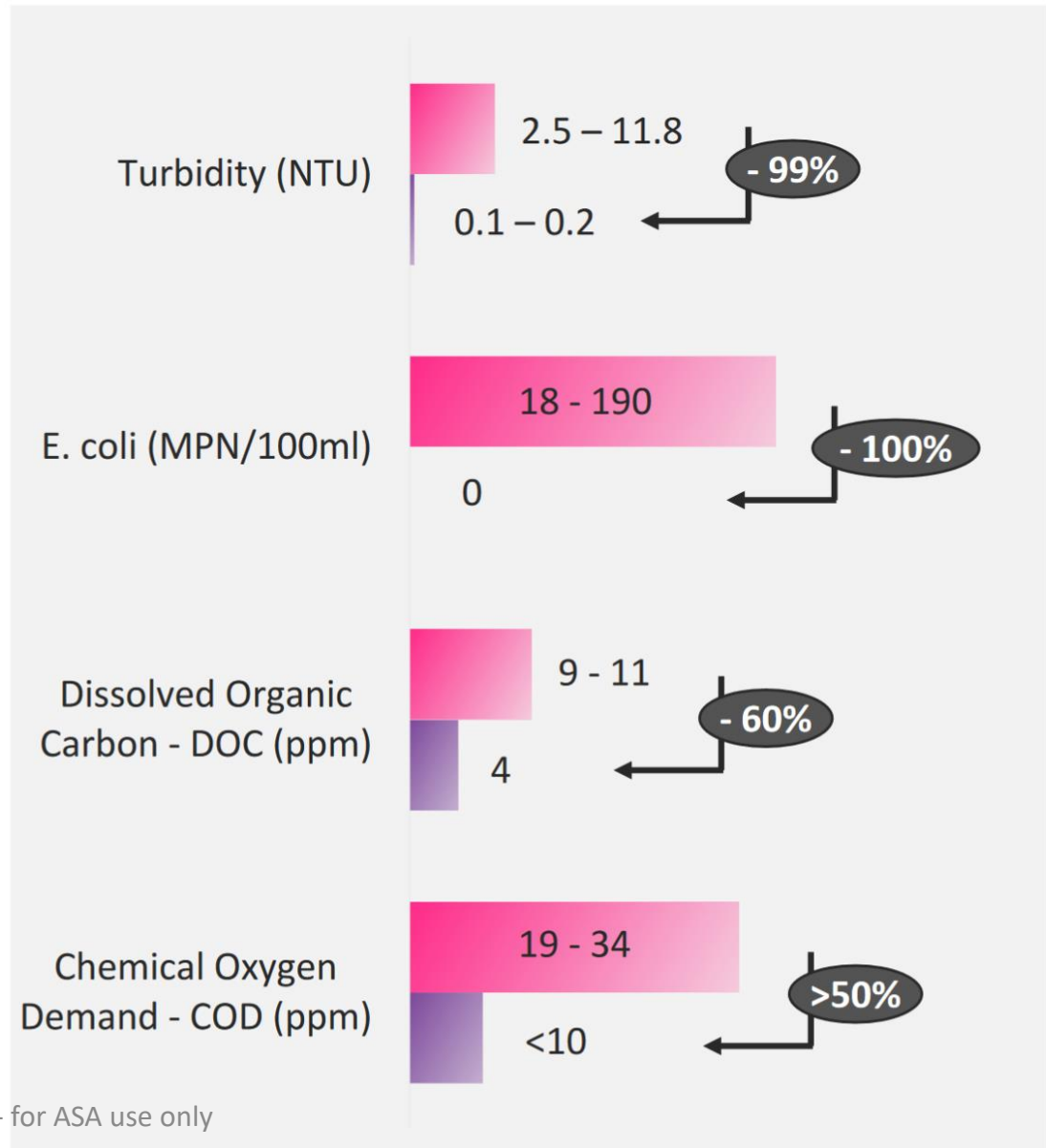


Wineries
100%
water
recycling

Onsite Pilot at Food Processing Facility



- 10-day of operations at Schreurs and Son's, achieving excellent results in effluent quality, robustness against fouling, and flow rate
- Commercial discussions with customer have started and follow-up discussions with sector are planned



Updates from Q4 FY/23 Report

- Successful official opening of the Laramba “radio-active” drinking water treatment plant in the Northern Territory \$5m contract . ` (NT has A\$28m, Fed Gov A\$150m & WA A\$200m budget for remote community water treatment)
- Townsville Water Recycling Plant enters the delivery phase (A\$10m).
- Successful lithium extraction test results through Go2Lithium Inc. and continued optimisation of cDLE™ (continuous direct lithium extraction) demonstration plant resulting in 25% equity issue in GoLithium (2 large Li brine projects west Canada) – subject to milestones
- First commercial sales of NematiQ Graphene (to water sources Australia – water fountains)
- Old CEO (Willem Vriesendorp) resigns and founder (Mr Peter Voigt) appointed as CEO and Mr Knight appointed as interim Chairman.

Pipeline

- Purchase order from Heathgate Resources (Beverley) for preliminary design of a uranium CLEAN-IX® U-Column.
- Membranes and accelerating demonstration across multiple applications.
- Piloting in the mine tailings dewatering market using ATA™ technology (South African licence) in South Africa & U
- NESR HIROX® Well Water Treatment Project (Iraq) - BP customer (reduces water requirements) – commissioning now completion Q1/FY24
- EVAPX treatment of contaminated brine for discharge in NSW
- NematiQ Graphene – 2 complete + 9 in progress and a further 7 will start in FY/24

Clean TeQ Water – Building Value Through Superior Technology



Unrivaled Technology Portfolio supported by extensive international IP protection



Strong Momentum through successful commercialization of water solutions across the world



Significant Pipeline with Opportunity for near Term Conversion



Graphene Membranes' step-change performance improvement could gain substantial share in multibillion dollar membrane market

Graphene Oxide Membranes

Energy efficient solution to the global water scarcity problem



High Water Transfer Rate = Lower energy requirement

Enabling lower pump pressures resulting in up to 50% reduction in energy cost for filtration



Tuneable Filtration Size

GO structure allows filtration characteristics to be engineered for specific use cases



High Resistance to fouling & oxidation

Leading to longer product life and decreased lifetime project costs



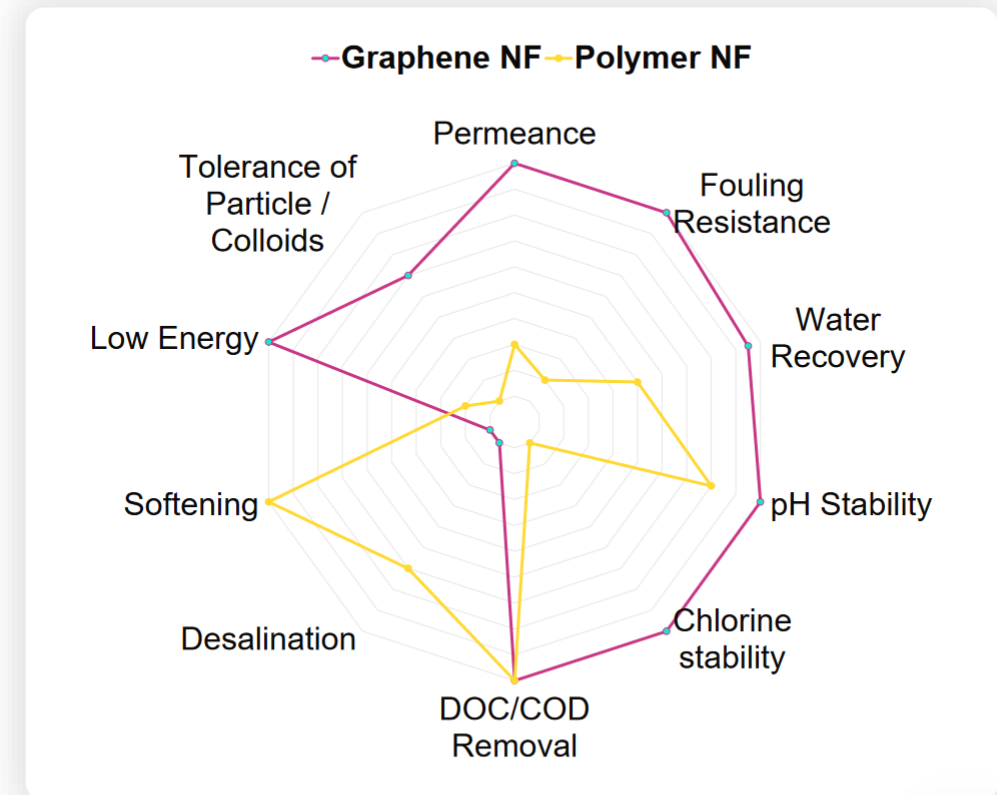
No Salt Rejection

No need for downstream water conditioning



High chemical stability

pH and chlorine stable, allowing use in industrial processing



GO Membranes selectively remove micropollutants - a market estimated to grow to A\$5 billion annually

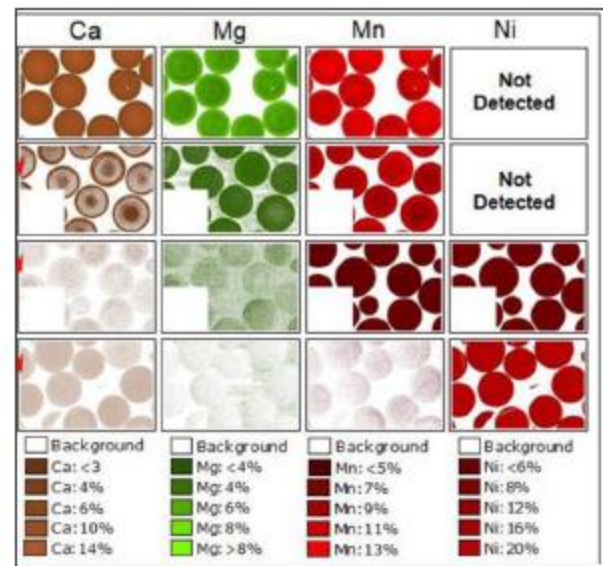


Ion exchange resins

Resin performance underpins investment in IX technologies



- On-going work to optimize resin performance across metal recovery and water treatment applications
- Clean TeQ works closely with third party vendors to create high-performance resins



Golden Globe Resources



From Les Szancer (via John Ellis):

- www.goldengloberesources.com.au

Additional Material for the group

what are other
words for
extra material?



surplus, overkill, limit,
something extra, remainder,
excess, extra, spare, leftovers,
superfluity

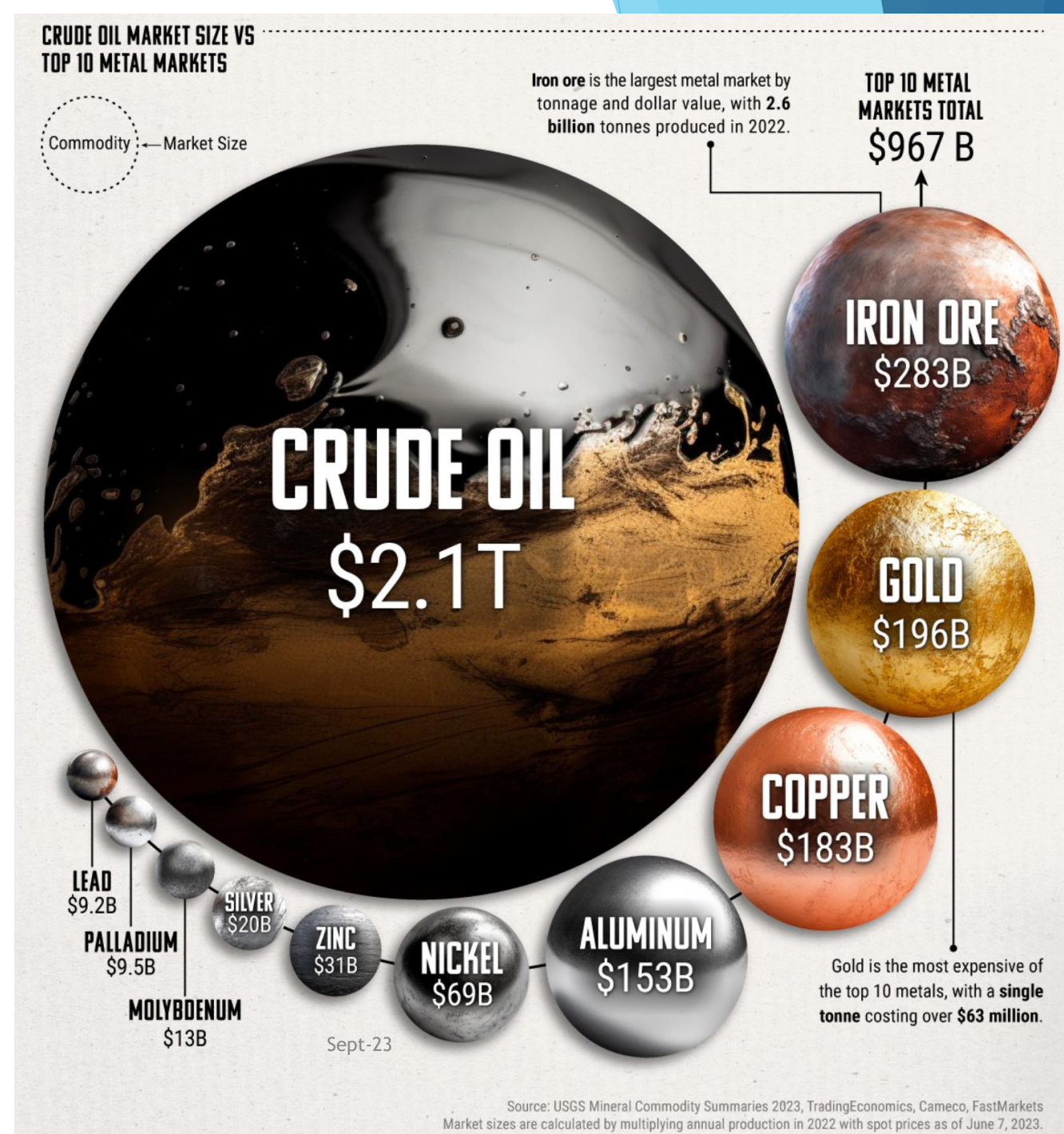


How big is the oil market?

Bigger than the top ten metal markets combined (by production value).

Graphic from Visual Capitalist.

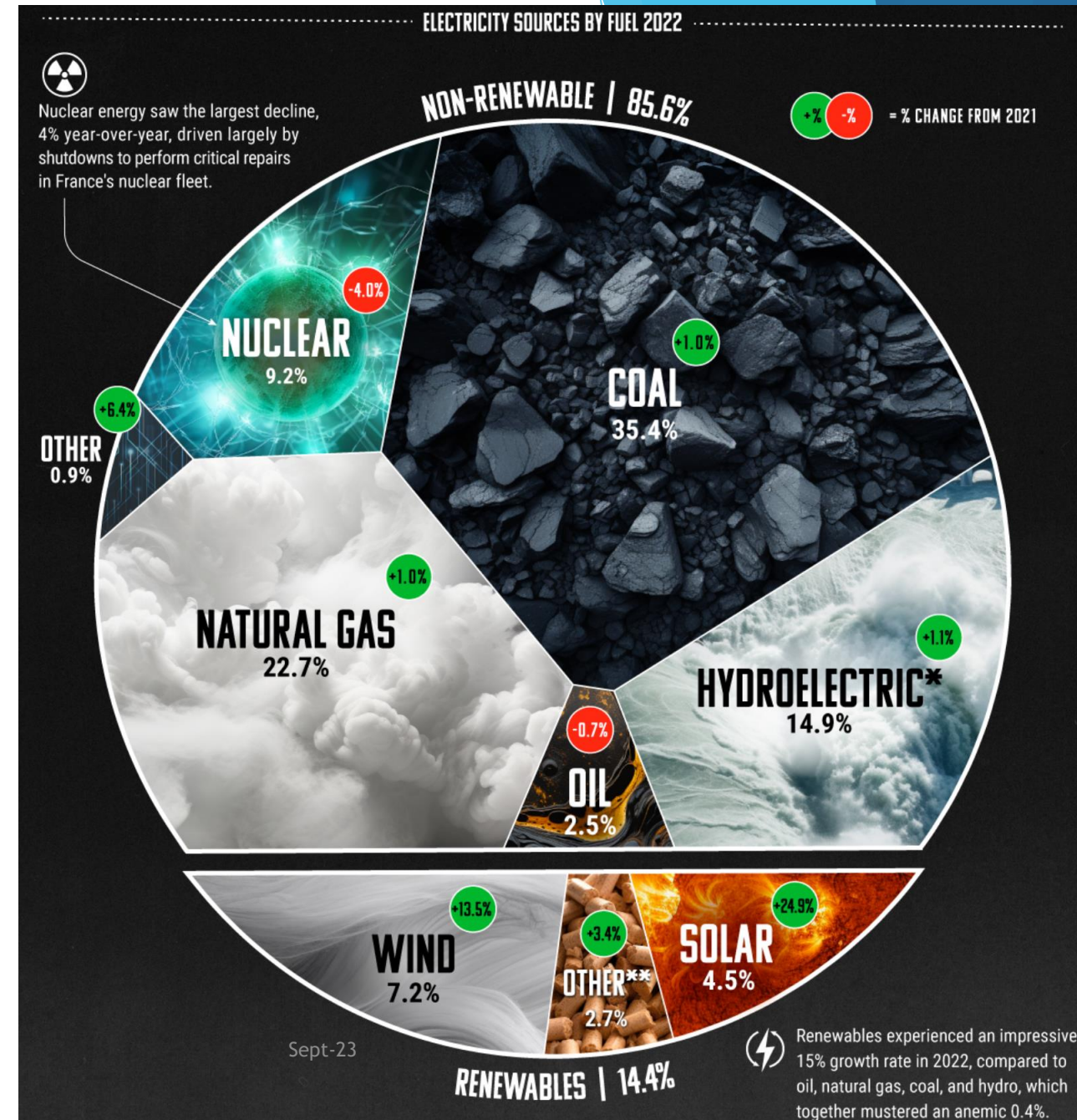
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Electricity sources 2022

-- Visual Capitalist

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Close

- ▶ **Our next meeting:** Thursday, 19th October 10 am, Citiplace.
- ▶ **Other ASA groups:**
 - ▶ 22 September - Perth South of the River (Bull Creek)
 - ▶ 27 September - Busselton Discussion
 - ▶ 28 September - Nedlands Discussion
 - ▶ 3 October - Perth Member's Meeting & Investors Forum
 - ▶ 17 October - Stirling Discussion (Tuart Hill)
- ▶ **See:** https://australianshareholders.com.au/Public/Education_events/Member_meetings.aspx