Tellus Holdings Ltd

Chandler Project Update

Mining the Territory | NT Resources Week | Darwin

Duncan van der Merwe, MD

27th August 2015

Important Notice and Disclaimer

Summary information
This presentation (Presentation) has been prepared by Tellus Holdings Ltd (ABN 97 138 119 829) ('Tellus') and is for information purposes only. This Presentation contains summary information about Tellus and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with other periodic announcements on www.tellusholdings.com.au. The key information on detailed exploration target statements, mineral resource estimates, and feasibility results can be found in Tellus' publically released media announcements. Exploration target statements and mineral resources estimations are appended to comply with ASX guidelines but investors are urged to read supporting information in full available on the company's website, and available in their data room.

Future performance
This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could ", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions, and independent third party expertise. Such forward-looking statements, opinions, and estimates are not guarantees of future performance.

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Competent Person Statement – Chandler Project
The information in this presentation that relates to Mineral Resources - Chandler Project - is based on information compiled by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ('ERCOSPLAN'). Jana Neubert is a senior geologist and employee of ERCOSPLAN and a member in good standing of the European Federation of Geologists registered as "European Geologist" (Registration Number 1033). Ms Neubert has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

Dr Henry AM Rauche is a senior geologist and Managing Director & C.E.O. of ERCOSPLAN and a member in good standing of the European Federation of Geologists registered as "European Geologist" (Registration Number 729). Dr Rauche has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

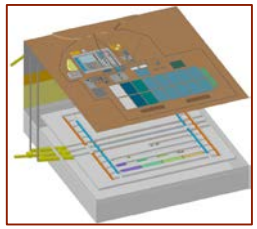
Competent Person Statement – Sandy Ridge Project
The information in this presentation that relates to Mineral Resources - Sandy Ridge Project - is based on information compiled by Terra Search Pty Ltd. Mr Jenkins is Principal Geologist of Terra Search and a Member of the Australian Institute of Geoscientists. Mr Jenkins has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves.

The information in this presentation that relates to exploration targets is based on information reviewed by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants employed by Tellus. Dr. Beams has BSc Honours and PhD degrees in geology. He is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member #2689). Dr Beams has sufficient relevant experience in respect of the style of mineralisation, the type of deposit under consideration, and the activity being undertaken to qualify as a Competent Person within the definition of the 2004 edition of the AusIMM's "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves".

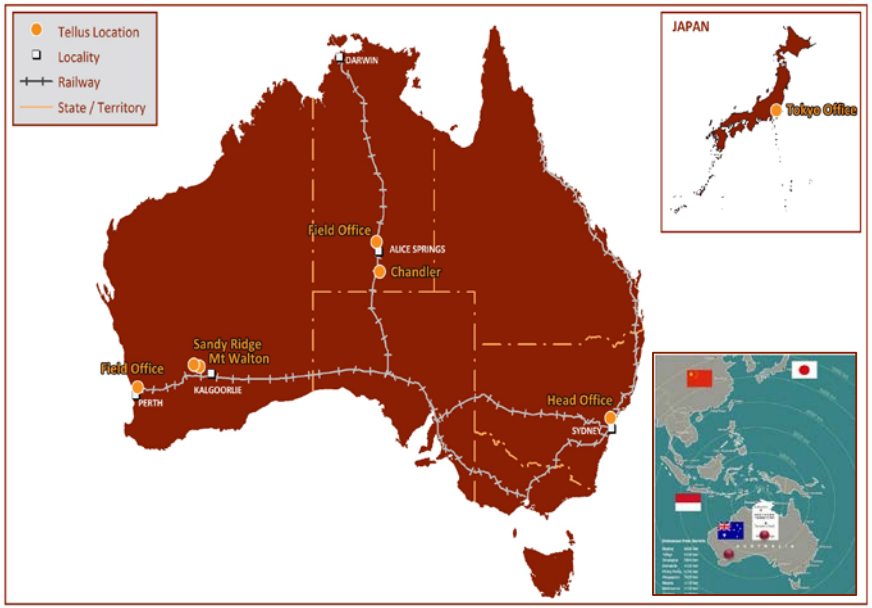
Exploration Target
Any statement contained in this document as to exploration results or exploration targets has been made consistent with the requirements of the Australasian code for reporting of exploration results, mineral resources, and ore reserves ('JORC Code'). All statements as to exploration targets of Tellus salt and kaolin, and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to estimate a resource and identification of a resource will be totally dependent on the outcome of further exploration.

1 Tellus Holdings Ltd ("Tellus") Summary

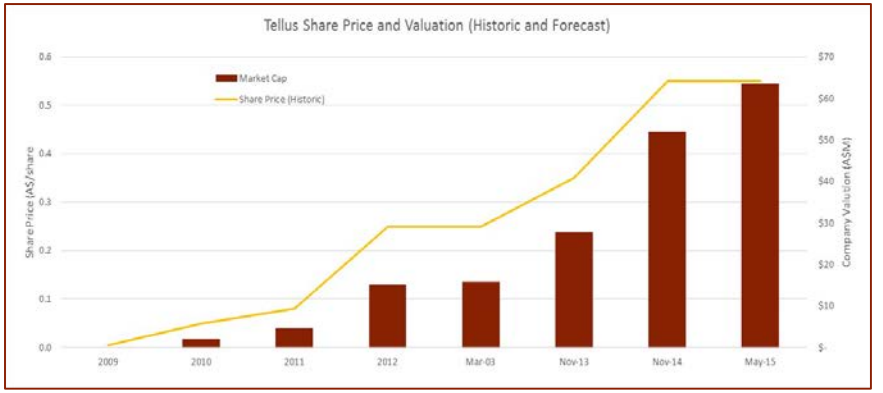
Company Summary	
Company	Public unlisted company (2009)
Strategy	Project infrastructure developer
	Developing a globally proven, dual revenue, business model – first in Asia
	Mine underground rock salt and kaolin clay beds and export commodities
	Fill the space left from mining with equipment, archives and waste
Projects	Chandler salt project (build 2017)
	Sandy Ridge kaolin project (build 2016)
	ClayVault Class V waste JV operation
Market cap	AUD 55 million (target A$320M Q4 2016)



Project and Office Locations



Share price and market cap



1 Tellus' Dual Revenue Strategy

- Unique Infrastructure Assets
- 'Major Project Status' Govt Recognition
- World's Best Practice Solutions
- Exceptional Management
- Strong Blue Chip demand
- High Margins
- Dual Revenue Business Model
- Long Term Sustainable Shareholder Value

1 Chandler Project – International Best Practice

150 projects includes <500 caverns and mines

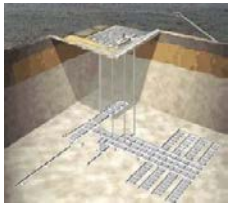
North America	> 100 projecs (400 brined caverns)	Russia	9 projecs
Europe	49 projecs (Germany 30 salt/backfill mines)	Africa	1 project in Morocco
Asia	13 projecs (China 6)	South America	1 project in Brazil
Total	>150 projects incl. < 500 caverns/mines		

Europe a leader in UG salt storage – Germany 20 mines

UNEP
United Nations Environment Programme

"Rock salt is globally recognized to be a suitable host rock for permanent storage."

Source: Prognos 2012, GRS report for UNEP



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1 Strategy - Experienced Project Team

Experienced Board Team ☑

Philip Garling
Non Executive Chairman

Head-AMP Capital Investors, CEO Tenix Infrast. & Lend Lease Capital

Duncan van der Merwe
Group MD

Tellus founder, Mining :Ex Gencor (Billiton) Waste & infrastructure: Ex BOS, Nobles

Ron Sifton
NED

Ex FD Newalta, Canada's largest salt cavern waste storage operator

Dr Nikki Williams
NED

Shell, NSW Minerals Council VIC Haz Waste Consult. Committee

Exp. Mining/ Regulatory Team ☑

Mike Ingram
Sandy Ridge Project Leader

Ex EPMS, Project Manager at WA Kaolin

Steve Reece
Chandler Project Leader

Ex Golders - managed UK "Minosis" salt / backfill mine for 15 years

Richie Phillips
Environmental Manager

Ex GHD, URS and WS

Jaime Livesey
Project Administrator / Snr Geologist

Ex Wiltshire Geological, Schlumberger, TerraSearch

Exp. Global Sales & Marketing Team ☑

Richard McAree
GM Sales & Marketing

Ex SLR, KMH Environmental and WYG

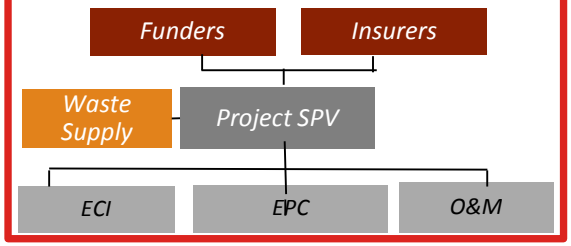
Robert Charter
Business Development Manager

Ex BD Coffey Environmental, IBM

Maurice Sauzier
Business Development Manager

Ex. Coffey Int. Wesfarmers Ltd (CSBP), International SOS, Falck, Sonic Health

Project Consortium – Tier 1 parties



Experienced Waste Management Team ☑

John Cook
Tellus RockVault Chair

Ex NSW Chief Mining Engineer, Ex MD Waste Service NSW

Mark Shepherd
Tellus RockVault NED

Ex MD Coffey WA, managed Australia's only Class V waste facility

Noel Davis
MD ClayVault WA

Ex WA Environmental Regulator, Managed only Class V waste facility

Tellus consists of an experienced board and management team with key individuals having a proven track record developing mines, salt and kaolin projects and heavily regulated storage projects

1 Tellus' Strategy - Health Safety and Environment

- One reported Lost Time Injuries in 5 years (one MRI)
- Successfully passed 3 years of SAI Global audits
  -AS 4801: OHS, ISO 9001: Quality and ISO 14001: Environmental

1 Tellus Strategy - Community and Stakeholder Engagement

Community consultation

NT Gov. & Regulator (site visits)

Supporting jobs (NT TO's)

TO meetings & site visits

Radio, TV, Newspaper, Online

Pot. buyers (pit-to port visits)

Supporting jobs (WA TO's)

Supporting local business (20+)

Community engagement:
NT > 30 months, WA > 18 months

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Minerals Council of Australia

Chamber of Commerce Northern Territory

AMEC
ASSOCIATION OF MINING AND EXPLORATION COMPANIES

WASTE MANAGEMENT ASSOCIATION OF AUSTRALIA

Australian Sustainable Business Group

1 Tellus Strategy - Community and Stakeholder Engagement

Support local communities (Titjikala Tidy Town Award)

Support local sports teams (cricket and soccer))

Support ranger programs (~ 30 rangers and trainers)

Support educational training programs (Redtails and CDU)

Photo source: http://www.redtailsfc.com.au/

1 Tellus' Commodity Strategy

Resources

NT Chandler Project

309 M t JORC Measured[1] Resource

WA Sandy Ridge Project

41 M t JORC Inferred[1] Resource

Our Industrial Minerals

Halite salt (500 year mine)

Kaolin clay (1,475 year mine)

Our Strategy

- Volume: 500-650 k tpa salt sales
- Dual revenue: commodity/storage
- Domestic and export sales

- Volume: 20-40 k tpa kaolin sales
- Dual revenue: commodity / store
- Domestic and export sales

End Market Uses

Chlor-alkali, soda ash, road de-icing, food processing, animal feedstuffs, water treatment

Ceramics (tableware and glazes), paint, continuous filament glass-fibre and other uses

Long term (25 + year), reliable supplier of high grade industrial minerals

[1] Refer to Sandy Ridge JORC media release (20 June '14) and Chandler JORC media release (1 July 14)

1 Project Locations

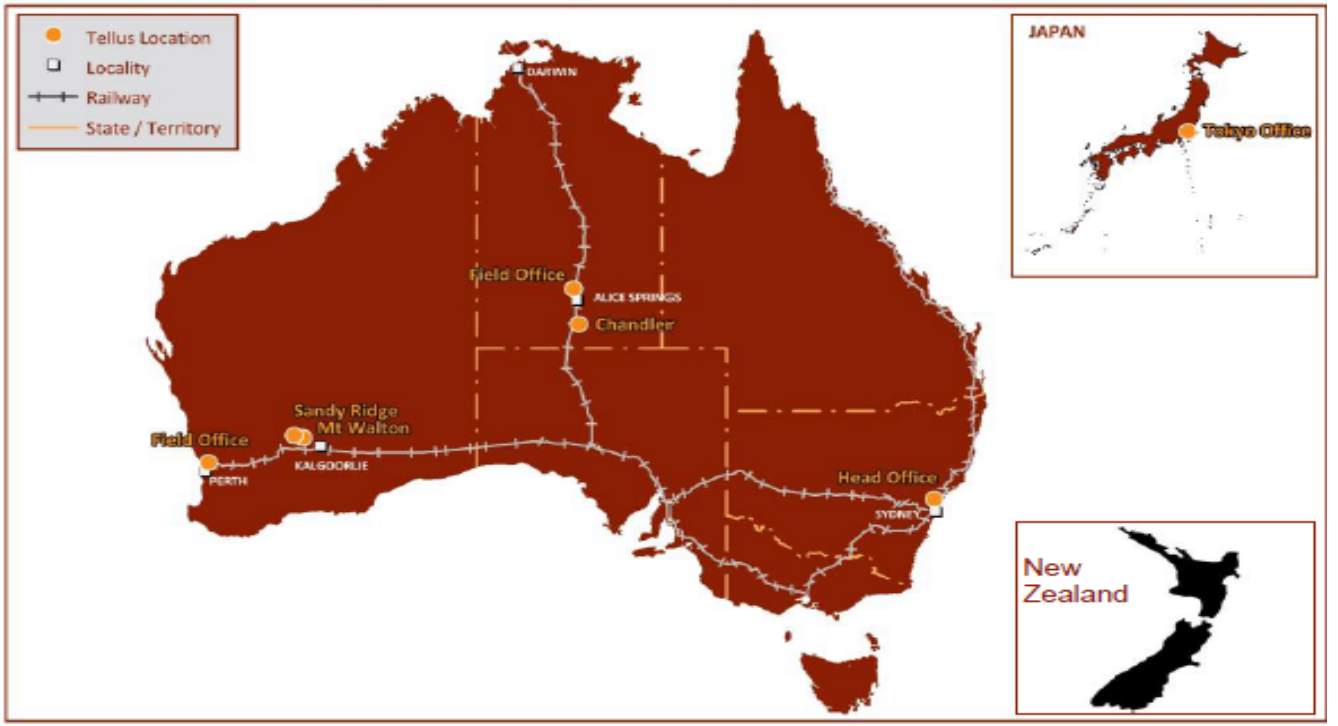
ClayVault JV – Mt Walton

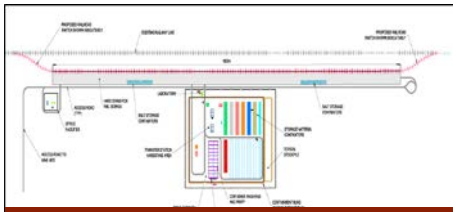
Perth office & pilot

Sandy Ridge

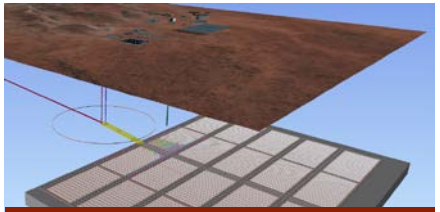
Darwin Port

Darwin East Arm





Chandler rail siding

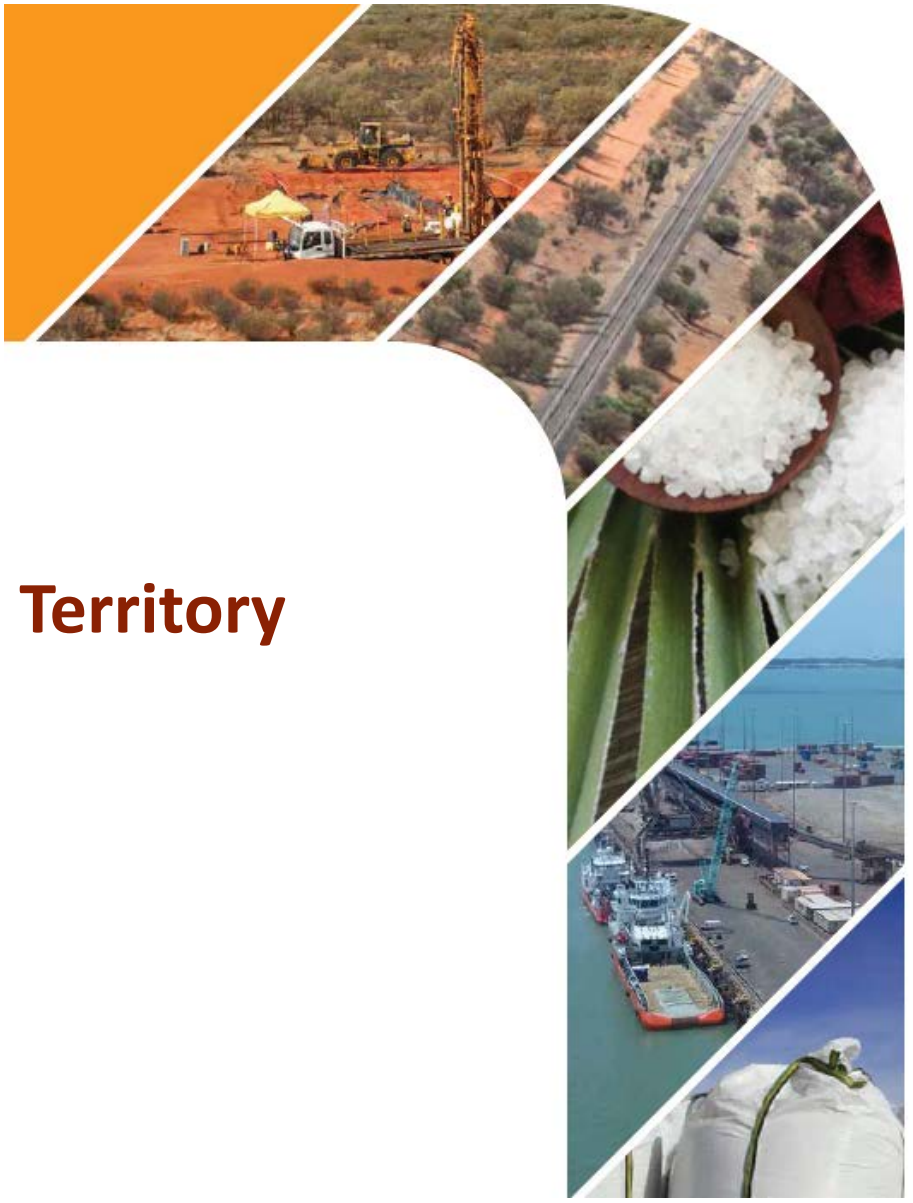


Chandler facility

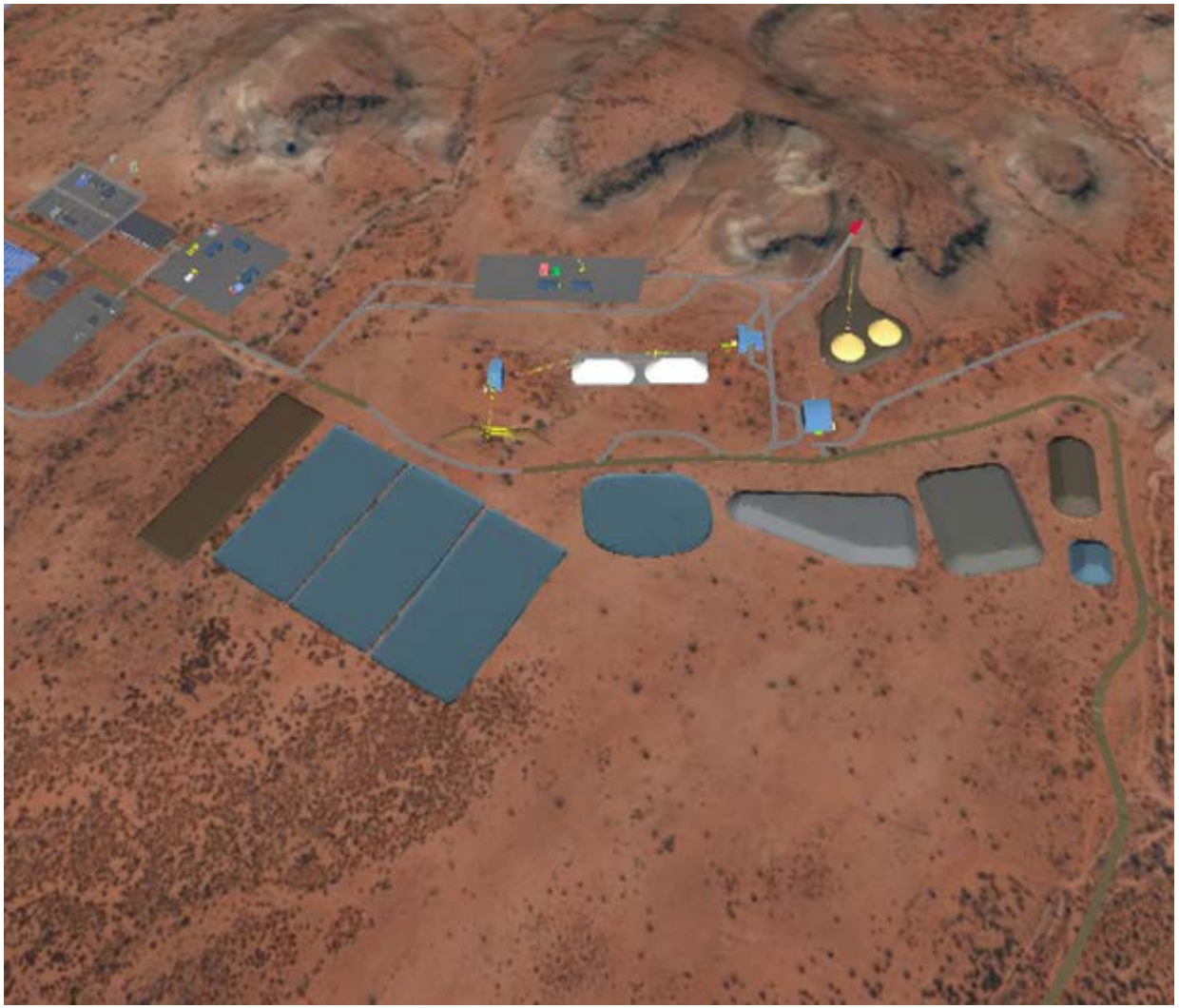
Chandler – 10 man camp

Alice – core shed / office

Chandler Project - Northern Territory



2 Chandler - Summary



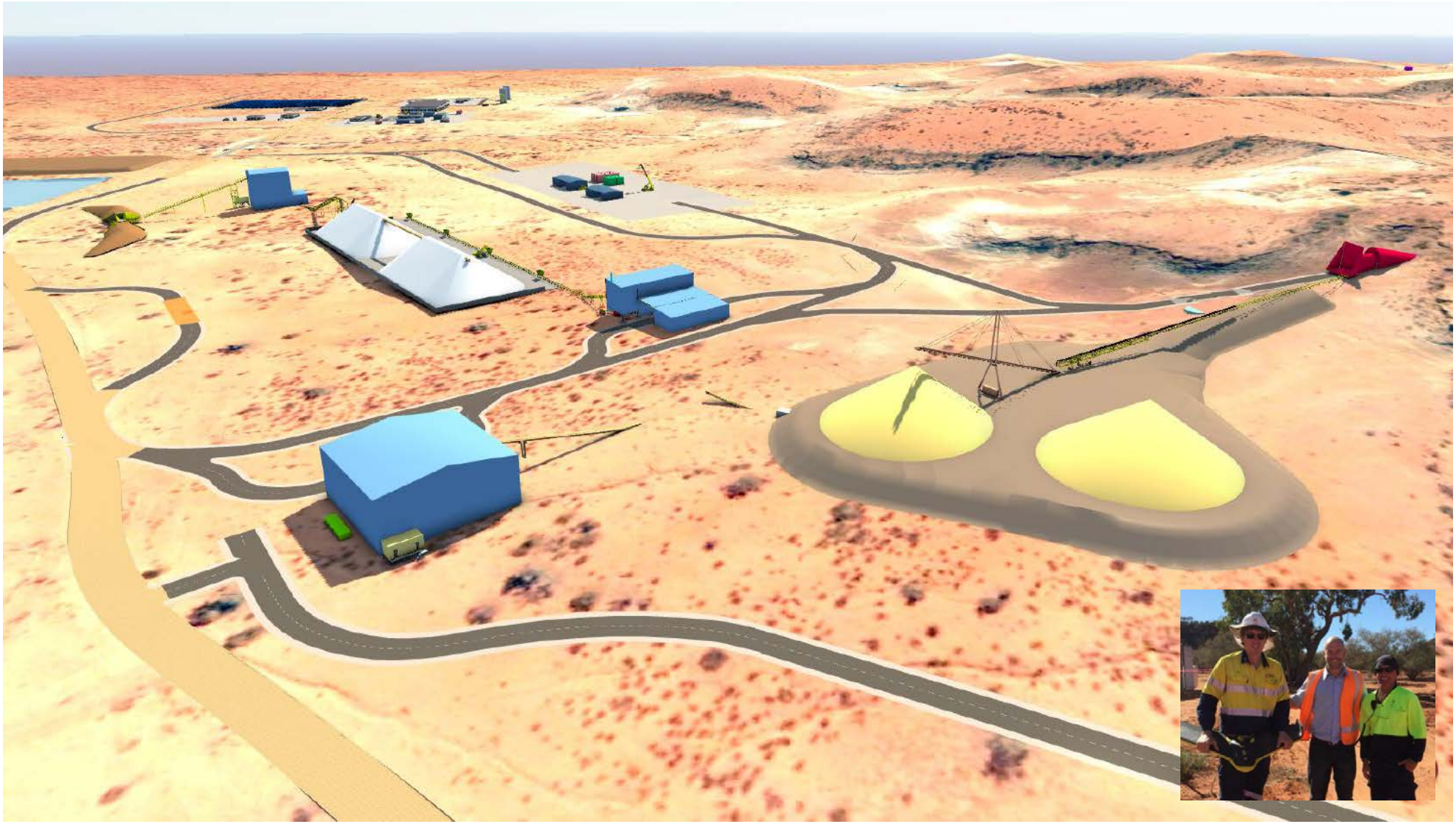
Category	Detail
Location	▪ 120km South of Alice Springs
Business	▪ Dual revenue – ▪ Salt/ storage sales
JORC[1]	▪ 309 Mt = 500 year mine
Life of Mine	▪ 4 yr build +25 yrs op's
Acts	▪ Mine under Mining Act ▪ Storage under Envir. Act
Mine	▪ Underground
Predevel	▪ $10 M
Capex	▪ A$464 M (FEL 2)
Opex	▪ Labour, transport, utilities, services
Jobs*	▪ Build (280-350), operational (180), indirect (>540-720)
Additional businesses	▪ Recycle & recovery jobs ▪ 3X increase FTE ▪ Other salt product jobs
Tax	▪ Corporate tax, GST, levies, royalties

Could potentially be Australia's longest life mine
Could potentially be one of central Australia's largest private employers

Major progress in the following areas:

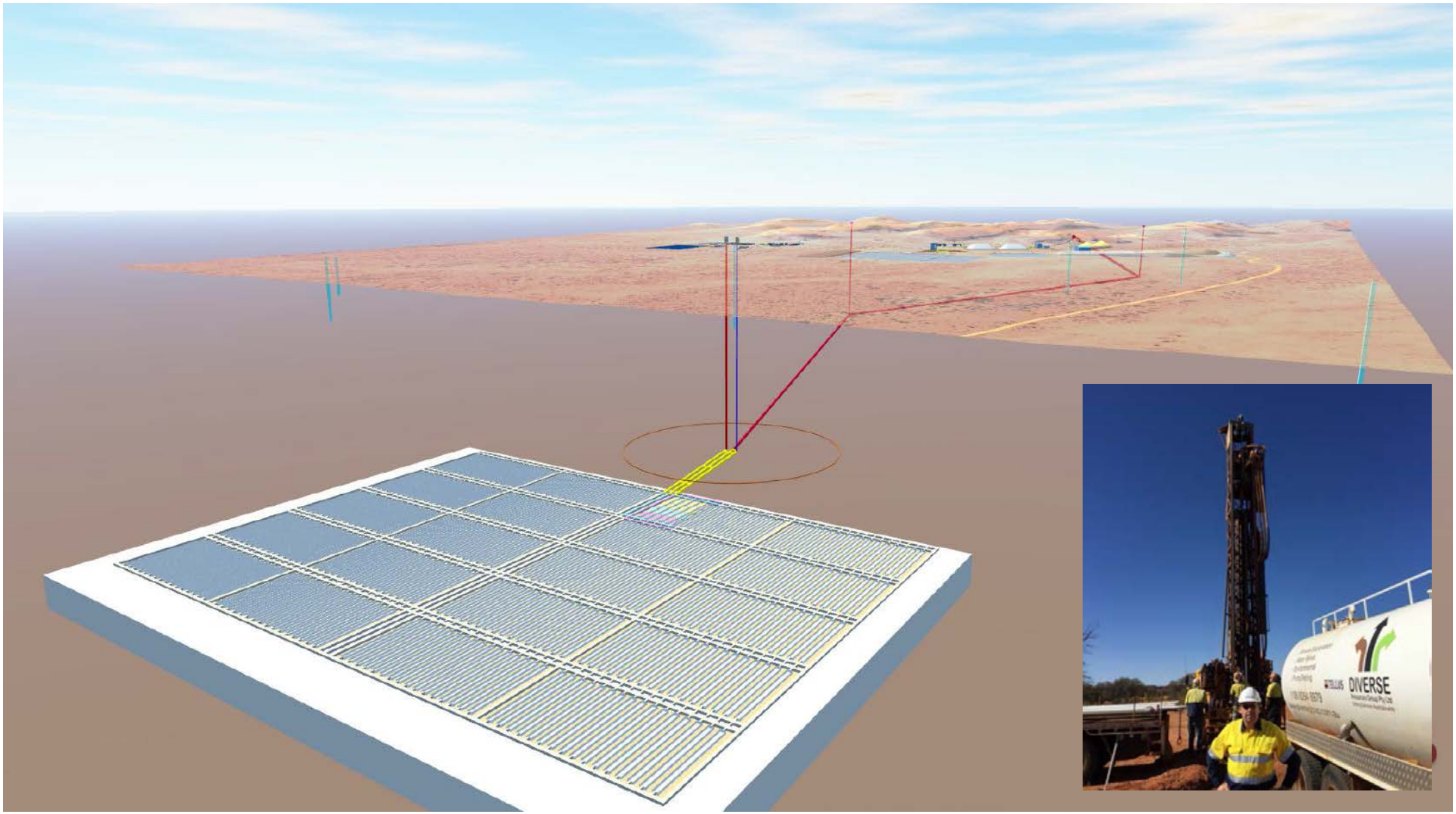
Bankable Feasibility Studies (BFS- FEL 3)
Baseline studies
Preparation for regulatory approval lodgement
Commercial negotiations

3 Chandler – BFS/ EIS Studies Progress



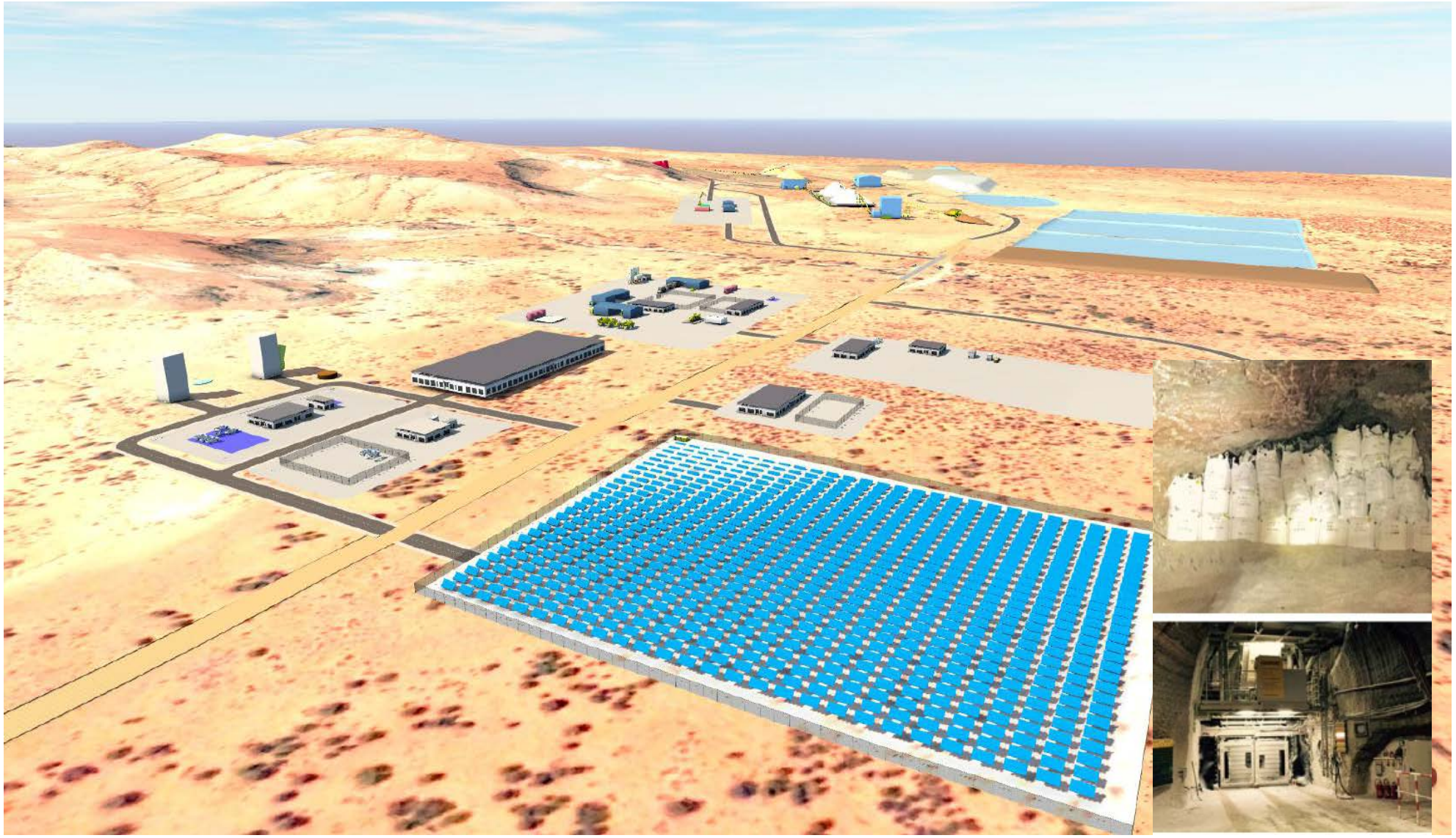
Unmanned Aerial Vehicle (UAV) surveys to assist in surface engineering, design & impact

3 Chandler - BFS/ EIS Studies Progress



TELLUS **Completed 3 months water / mine plan drilling to assist in underground engineering & design**

3 Chandler - BFS/ EIS Studies Progress



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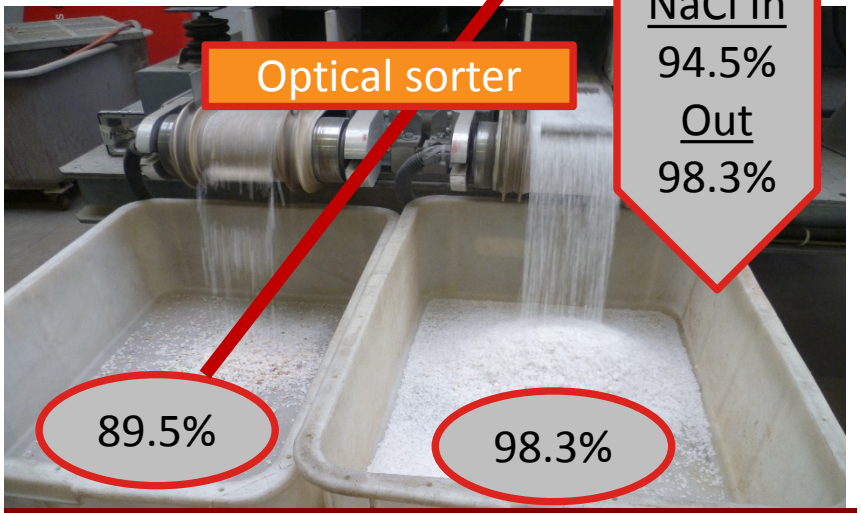
Studies: 30 categories for BFS, 20 + categories for EIS, site visits to other salt / storage mines

3 Chandler - Commercial Progress

Dry salt processing pilot in Germany, feed grade 94.5% NaCl

Dry process

NaCl In 94.5%
Out 98.3%



Pilot demonstrates successful production of high grade salt (independent analysis confirms 98.3% NaCl)

Wet salt processing pilot project in USA, feed grade 89.5% NaCl

Wet process

NaCl In 89.5%
Out 99.8%

Pilot demonstrates successful production of high grade salt (independent analysis confirms 99.8% NaCl)

3 Sandy Ridge – Commercial Progress

Simple benefaction pilot (40t ROM refined to 12 tonnes product)

40 tonnes kaolin clay refined to 12 tonnes product

Ceramic clay

Kaolin samples – 12 tonnes

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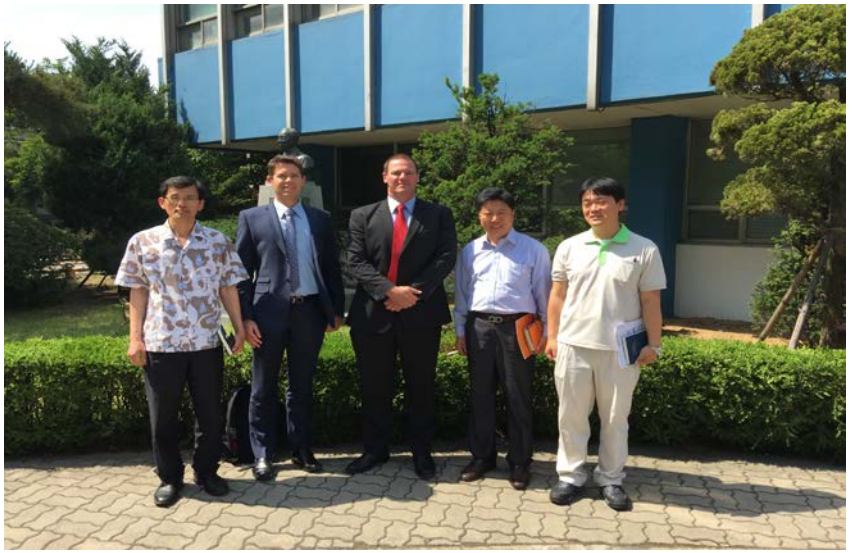
From Exploration, Pilot, Spec. Sheet to Offtake Contract

3 From Exploration, Pilot, Product Spec. Sheet to Contract



Tellus appreciates the trade support from the NT Gov's DME and Fed Gov's Austrade

4 Chandler and Sandy Ridge Project Consortia

Offtake and Supply

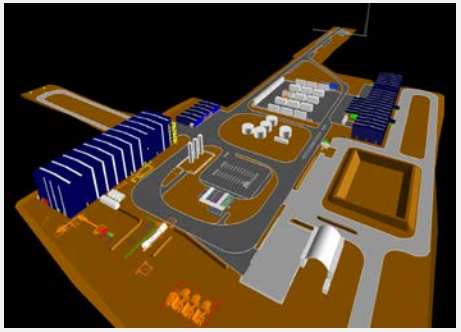
Australia

South East Asia

Japan, Korea, China

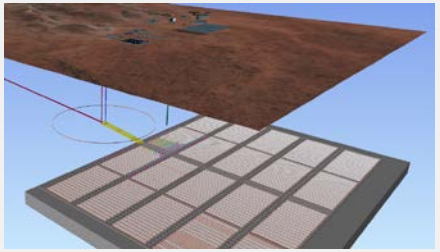
EPC and Supply Services

Plant equipment, vehicles supply



ECI and EPC agreements

O&M and logistics agreements



Project Financing

Project equity

Project debt

Trade export schemes

Tellus is on track to achieve our objectives

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