





NEWS RELEASE

17th April 2015

CHANDLER'S WET SALT PILOT COMMENCES

-  **Wet processing pilot commences to refine rock salt into saleable grades**
-  **Testing and process validation carried out by Veolia Water Technologies in Illinois, USA utilizing their HPD® Crystallization process**
-  **Results to be used in final design and securing offtake agreements**
-  **Compared to open process solar salt fields, this closed process plant requires less water and land and negates any weather risks**

Tellus Holdings Ltd (“Tellus”) is pleased to announce the start of a wet mineral processing pilot test work to refine rock salt into saleable grades taking place in Illinois, USA. The rock salt is from Tellus’ Chandler salt deposit 120 kilometers south of Alice Springs.

“The evaluation of a closed circuit dissolution, evaporation and crystallisation system for the refining of low-grade salt rejected from the dry process circuit provides Tellus with certainty regarding the project’s environmental impact, cost structures, and grade of refined salt available for sale,” said Tellus’ Managing Director, Duncan van der Merwe.

“This type of wet salt refining significantly reduces the project’s environmental impact, requiring less water and land area. This process also negates any weather risks, which can disrupt the production at solar salt fields for months at a time, making Tellus a reliable supplier,” he said.

The wet processing of Chandler’s rock salt is designed to make full use of the salt resource, using as feed the rejected (low grade) salt from the dry optical sorting process as well as salt fines created by salt crushing.

In February 2015, Tellus personnel created a composite sample representative of the expected grade optical sorting rejects stream using portions of drill core from Drill Holes CH001A and CH003. The feed sample grade was confirmed by assay in Perth before being shipped to Veolia’s research and development facility that focuses on evaporation and crystallisation technologies in Plainfield, Illinois, in the United States.



Fig 1: Chandler rock salt collected at the Alice core shed by Tellus’ Process Engineer, Mike Ingram



Veolia will carry out dissolution, evaporation, and crystallisation test work using bench-scale equipment over a six week period starting in early April.

Veolia's testing program will identify what grade of sodium chloride salt product can most practically be produced from the feed material. Expectations are that a salt grade of greater than 99.2% sodium chloride (NaCl) will be achieved, putting it above that of most solar salt producers.

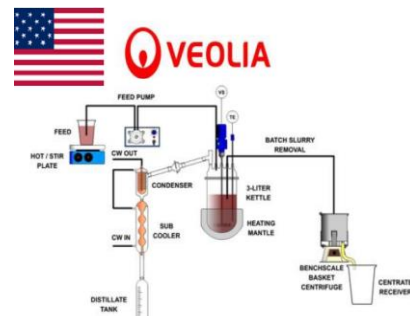


Fig 2: Veolia's standard bench crystalliser

Veolia can then provide the optimal evaporation and crystallisation process solution best suited to the Chandler project, taking into account site-specific conditions of water supply and energy.

The output from the bench scale wet processing test work will be:

- refined salt product specifications
- approximately 24 kg of NaCl (sodium chloride) salt product
- identification of a wet process plant flowsheet and preliminary calculations of the associated energy and material balances
- identification of the tailings stream character and form for use in environmental approvals and site layout planning.

About Veolia:

Veolia is global leader in the design and supply of its HPD® Evaporation and Crystallisation Technologies for large-scale industrial applications, most notably for the salt and potash industries.

About Tellus Holdings:

Tellus Holdings Ltd is an infrastructure project development company with a proposed dual revenue business model. This involves mining the commodities salt and kaolin and backfilling the voids left from mining with equipment, archives or long-term temporary storage of waste. Tellus' business model mirrors world's best practice solutions operating in the UK, Europe, USA and Canada. Tellus is developing the Chandler salt project in the Northern Territory (NT) and the Sandy Ridge kaolin project in Western Australia. Tellus' flagship 'Chandler Project' was recently awarded Major Project Status by the Northern Territory Government.

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