




# NEWS RELEASE

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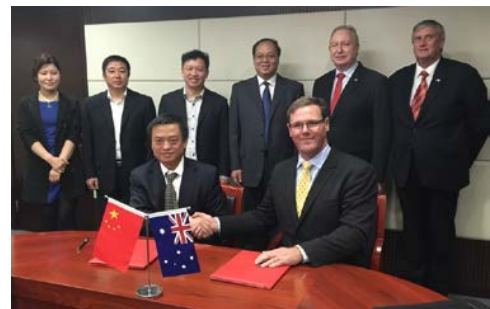
## TELLUS SIGNS EQUIPMENT SUPPLY AND FINANCE MOU

-  Tellus signs MOU with CCTEG for mining equipment finance
-  Finance Package is valued at AUD\$120 million
-  CCTEG is one of China's largest state-owned enterprises, generating more than US\$7B revenue and specialising in the manufacture and sale of specialised mining equipment

Tellus Holdings Ltd (“Tellus”) is pleased to announce it has signed a Memorandum of Understanding (MOU) with China Coal Technology and Engineering Group Corp (CCTEG) for the supply and finance of mining equipment to develop Tellus’ Chandler and Sandy Ridge Projects.

The package is valued at AUD\$120 million and includes the supply and financing of mobile diesel equipment, conveyor systems, continuous miners, mobile bolters, auxiliary fans and salt handling plants.

An official signing ceremony in Beijing between the parties was attended by senior executive of both companies and accompanied by representatives from the Northern Territory Government.



*Fig 1: Tellus, CCTEG, Northern Territory Government officials at signing ceremony*

“This is a great achievement for the Company and significantly de-risks our project equipment supply and funding requirements. CCTEG is a major supplier of high-quality specialised mining equipment to global operators, and also a leader in research and development of new mining technologies and processes,” Tellus Managing Director, Mr Duncan van der Merwe said.

CCTEG is one of China’s largest state-owned enterprises (SOEs), generating more than US\$7B revenue from the manufacture and sale of specialised mining equipment and operating mines. CCTEG has been involved in the development and operation of more than 70% of China’s large underground coal mines.

“We look forward to working with CCTEG as the projects progress through bankable feasibility studies to finalise equipment requirements,” he said.

The Parties will now work together to finalise detailed documentation, scope of equipment and financing terms. Draft financing terms are attractive to Tellus and include:

- staged draw-down linked to provision of equipment
- an interest rate to be agreed, calculated from the date that the equipment is delivered

**A:** Tellus Holdings Ltd, Suite 2, Level 10, 151 Castlereagh Street, Sydney, NSW, 2000

**T:** +61 2 8257 3395 | **F:** +61 2 8233 6199 | **E:** info@tellusholdings.com.au

**W:** Tellusholdings.com.au | **ABN:** 97 138 119 829





- a one-year repayment free period following provision of equipment
- full repayment of the loan within five years

The financing package represents a material tranche of the total capital requirement for Tellus' Sandy Ridge and Chandler projects. The Company is progressing arrangements for the remaining funding requirement and will provide further updates to the market in due course.

"Tellus executives are also taking part in a Northern Territory Government sponsored trade delegation to China, led by the NT Minister for Business Peter Styles. These trips are successful at building relations between Australia and China and facilitating trade and investment opportunities. Tellus appreciates the Government invitations and facilitation with key players through these initiatives," he said.

The initial introduction to CCTEG was through GRID Investments from Singapore and facilitated by Equipment Resource Group (ERG) of New South Wales, Australia.

#### **About Tellus Holdings:**

*Tellus Holdings Ltd is an infrastructure project development company with a proposed dual revenue infrastructure 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 plans to store like-with-like materials, so as to create opportunities for the future long term, temporary storage, treatment and recovery of valuable materials or permanent isolation of waste. Tellus' business model mirrors world's best practice solutions operating in the UK, Europe, USA and Canada. Tellus is developing the Chandler project in the Northern Territory (NT) and the Sandy Ridge project in Western Australia. Tellus' flagship 'Chandler Project' has been awarded Major Project Status by the Northern Territory Government.*

#### **For further information:**

Visit: [www.tellusholdings.com.au](http://www.tellusholdings.com.au) or contact:

Duncan van der Merwe                      Managing Director                      Tel: +61 (0)2 8257 3395

Corporate and Chandler Project:

Jane Munday                      Michels Warren Munday (Media)                      Mob: +61 (0)427 880 083

Sandy Ridge Project:

Cameron Morse                      FTI Consulting (Media)                      Tel: +61 (0)8 9485 8888