

NEWS UPDATE

1st December 2017

SANDY RIDGE CONSTRUCTION PLANNING UPDATE – CONTRACTS AWARDED FOR SITE INVESTIGATIONS

- Wallis Drilling awarded stage four drilling contract for 45 new aircore holes and 8 bores
- **Environmental monitoring bores to meet commitments from Public Environmental Review**
- Golder Associates awarded contract for geotechnical site investigations

Tellus Holdings Ltd ("Tellus") is pleased to announce that it has commenced stage four drilling program and targeted site investigations at its Sandy Ridge Project. Tellus has awarded five contracts to support the detailed site investigations, design and construction planning.

Wallis Drilling (Wallis) has been awarded the stage four drilling contract for 45 aircore holes to support future cell planning works.

Wallis will also drill eight additional environmental monitoring bores to meet the commitments given by Tellus as part of the Company's Public Environmental Review (PER) and recently submitted Works Approval application.

The site investigations and drilling campaign commenced on 28th November 2017, with results expected in January 2018.

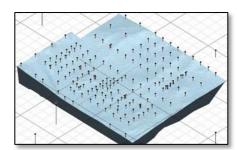


Figure 1: Expanding on the existing 271 holes and 7,939 m drilled

The 53 new drill holes will complement the existing 271 holes and 7,939m drilled in the project area over the last three drilling programs. In anticipation of receiving regulatory approvals and gearing up for construction and operational readiness, this drilling is focused on the infrastructure footprint and will support the detailed design of the proposed bulk earthworks, pavements and first waste cell.

Other drilling support services and site investigation contracts that have been awarded include:

- Golder Associates civil geotechnical site investigations, laboratory testing and analysis
- Continental Resource Management (CRM) geology
- Rapid Dam Contractors site clearing and test pits
- Terra Search camp and field support.

"We have a strong preference for contracting with local companies where possible. Tellus is pleased to have awarded the drilling contract and the drilling support service contracts to local West Australian firms," said Managing Director, Duncan van der Merwe.





About Tellus Holdings:

Tellus Holdings Ltd ("Tellus") is an infrastructure development company in the business of creating economic, social and environmental value from waste, clay and salt resources. This dual revenue model involves mining the commodities kaolin clay and rock salt in thick dry remote beds which creates world's best practice geological repositories. The voids created by mining are then used to store equipment, archives and waste using a multi- barrier system as part of an integrated safety case. Tellus plans to permanently isolate hazardous waste using environmentally sound management (ESM) principles that protect the environment and human health. Tellus also uses long-term storage that supports the circular economy by placing like-with-like materials for operational safety reasons and to create opportunities for the future recovery of valuable materials. Tellus' business model mirrors overseas solutions operating in the UK, Europe and North America. Tellus is developing the proposed Sandy Ridge facility in Western Australia (WA) and the proposed Chandler facility in the Northern Territory (NT). Both Sandy Ridge and Chandler were awarded Major Project Facilitation Service by the Australian Government and Chandler was awarded Major Project Status by the NT Government.

For further information:

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