






NEWS UPDATE

11th December 2017

CHANDLER REGULATORY APPROVALS UPDATE – NT EPA RECOMMENDS PROJECT APPROVAL SUBJECT TO CONDITIONS

-  NT EPA Board has released the Chandler Assessment Report and Recommendation to the NT Minister for Environment
-  The NT EPA supports the concept of Australia’s first dual underground rock salt mine and deep salt geological repository to manage hazardous wastes
-  The NT EPA considers that subject to 19 recommendations in the Report, the Chandler Project can be managed in a manner that meets the NT EPA’s objectives
-  The Project involves mining up to 750,000 tonnes per annum (tpa) of rock salt and receiving up to a maximum of 400,000 tpa of hazardous waste for approximately 25 years
-  The next step is for the NT Minister for the Environment and Natural Resources and the Minister for Primary Industry and Resources to consider the EPA’s Report and make their determinations

Tellus Holdings Ltd (“Tellus”) is pleased to announce that the Northern Territory (NT) Environmental Protection Authority (EPA) Board has provided its Chandler Assessment Report (the Report) and recommendations to the NT Minister for Environment and Natural Resources. The NT EPA supports the concept of Australia’s first dual underground rock salt mine and deep salt geological repository to manage hazardous wastes. The Report considers that subject to the implementation of 19 recommendations, the Project can be managed in manner that meets the NT EPA’s objectives.

Tellus is proposing to develop the Chandler Facility Project (the Project) approximately 120 km south of Alice Springs.

Tellus’ proposal is to construct and operate a dual underground salt mine and two waste storage facilities (a surface facility, Apirnta, and a deep underground geological repository). The associated infrastructure includes a 5 MW hybrid power station (2 MW solar) plus haulage and access roads.

The waste facilities propose to accept hazardous waste including contaminated soils, asbestos, PFOS (fire-fighting foam), acids and alkaline wastes. Other waste types would be from the agriculture, manufacturing, mining and oil and gas sectors, including household hazardous wastes collected by waste management companies.

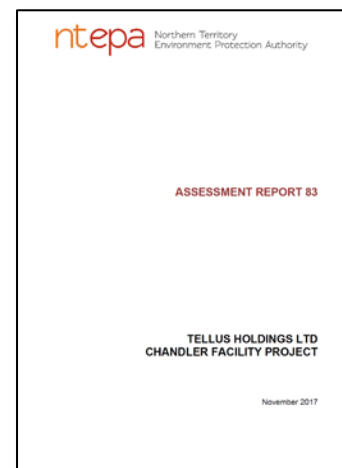


Figure 1: NT EPA Assessment Report



The proposal would involve mining up to 750,000 tonnes per annum (tpa) of rock salt, and receiving up to 400,000 tpa of waste from all over Australia, including the Australian Exclusive Economic Zone for approximately 25 years.

The proposal involves clearing up to 219 hectares of native vegetation for surface infrastructure at the Chandler Facility, 170 hectares of native vegetation for surface infrastructure at the Apirnta Facility, 93 ha of permanent disturbance along a private 31 km unsealed haul road linking the Apirnta Facility and Chandler Facility and, 180 ha of permanent disturbance along a private 60 km unsealed haul road linking the Apirnta facility with the Stuart Highway.

The Draft Terms of Reference for the Chandler EIS were originally issued to Tellus in June 2013 and updated and reissued in September 2016 under the Environmental Assessment Act. The EPA deemed that the Project be assessed by way of an Environmental Impact Statement (EIS), the highest level of assessment.

Tellus' Draft EIS was published for public comment in February 2017. Public comments closed in April 2017. The Draft EIS received 23 submissions. Tellus responded to those comments in an EIS Supplement Report that was submitted in August 2017.

The EPA has completed its assessment of the environmental impacts of the Project, releasing its findings and recommended conditions today. The Report marks the end of the assessment process by the NT EPA. The EPA's Report can be found here:

<https://ntepa.nt.gov.au/environmental-assessments/projects-completed>

The concept of a deep geological repository relies on both a natural geological barrier (salt bed) and man-made engineered barriers as components of a multi-barrier system. The objective is the permanent isolation of the enclosed hazardous waste from the biosphere.

- The NT EPA supports the concept of a deep geological repository that, with appropriate site selection, design, construction and operation, can safely capture and isolate existing and future hazardous waste streams.
- The NT EPA recognises the advantages on a whole -of-project perspective of managing and storing large volumes of hazardous waste in appropriate infrastructure in a tightly-regulated environment compared with storage at locations around Australia in temporary or insufficient infrastructure that may create contaminated sites or pose environmental hazards.
- Tellus and the EPA recognise that there is more site-specific information (including baseline data) to be provided by Tellus and review by regulatory authorities before approvals can be issued for the Project. This includes further geotechnical drilling for mine planning and groundwater drilling.
- The NT EPA has made 19 recommendations in their Report for future work to provide greater certainty that the long-term safety assessment of the Project is achievable and is the best option for disposing of Australia's hazardous waste.
- In assessing this Project, the NT EPA has considered the design, operation, regulation and learnings of other deep geological waste repositories internationally.
- The NT EPA has made recommendations in the Report with the objective of achieving the best practicable environmental outcome.
- Tellus is to fund an independent auditor, an expert advisory group and independent process safety expertise to ensure that approval and licensing decisions are transparent, robust and based on the best available scientific and technical advice, and are independent of influence of Tellus.
- The NT EPA considers that subject to the implementation of the recommendations, the Project can be managed in manner likely to meet the NT EPA's objectives and avoids significant or unacceptable environmental impacts.



The next step is the Northern Territory Minister for Environment and Natural Resources (the Minister) will consider the Report in making her decision under environmental legislation. The Minister must also provide the Report to the Minister for Primary Industry and Resources (the responsible Minister), who will consider the mining legislation when making his decision as to whether to approve the Project. This Report will guide the decision for a mining authorisation (by the responsible Minister), the NT EPA's approval and licensing decisions under the *Waste Management and Pollution Control Act* (WMPC Act) and the decision for an approval under the Commonwealth *Environment Protection and Biodiversity Conservation Act* (EPBC Act).

"We have worked tirelessly and openly over seven years and spent millions of dollars to complete a thorough environmental, social, economic benefits and impacts assessment of the Chandler Project," said Tellus Managing Director Duncan van der Merwe.

"Tellus recognises the professionalism of the Federal, Territory and Local Government decision making authorities, community, non-governmental organisations and business stakeholders during the EIS process. Tellus remains committed to our policy of "buy local and hire local" where possible. Our plan is to create 270 jobs (720 at peak) during the \$676 million build phase and 180 jobs during the operations phase. Tellus sees waste as a valuable resource where we should find ways for it to re-enter the circular economy or stored safely until it can be reused or recycled. This in turn generates additional jobs and local and regional business opportunities. We look forward to a positive decision by the responsible Ministers in the coming months."

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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