

NEWS RELEASE

15th April 2015

SANDY RIDGE RESOURCE DRILLING PROGRAM SUCCESSFUL

-  **Program of Works approval granted by West Australian Government (DMP)**
-  **Local and West Australian contractors appointed and mobilisation commenced**
-  **Program – 43 air core drill holes (1,290m) for resource definition and seven geotechnical holes for mine planning and hydrology studies**

Tellus Holdings Ltd (“Tellus”) is pleased to announce the completion of a successful second phase kaolin resource drilling program at its Sandy Ridge project site located 140 km North West of Kalgoorlie.

The aim of this work was to:

- Further define the kaolin resource boundaries within the tenement holding
- Increase drilling density so that the JORC resource can be moved to a higher level of confidence
- Contribute to advanced mine planning and hydrology testing.



Fig 1: Sandy Ridge 2015 resource drilling program

This work follows on from the successful drilling activities completed in 2014, which defined both a large kaolin resource of superior quality suitable for use in high value tableware ceramics, paints, continuous filament glass-fiber, and other industrial applications.

The West Australian Government’s Department of Mines and Petroleum approved a field activities environmental application (‘Program of Works’) on the 5th of February. Other site access approvals were obtained from the WA Government’s Department of Finance (Building Management and Works) and neighboring tenement holders.

Terra Search Pty Ltd (“TS”) Perth office was appointed to provide field supervision of all the drilling activities, coordination of the logistics for the temporary camp and transport to and from the site. TS also provided a field geologist and technician to log and sample all of the holes.

Supporting WA based contractors include Wallis Drilling (NQ size air core drilling rig and crew) and a Southern Cross based civil contractor.

“Tellus has a commitment to use local contractors for the supply of equipment and services, and where possible employ local community and provide training opportunities,” said Mr. Duncan van der Merwe, Managing Director of Tellus.



Baseline water studies have commenced contributing to the company's environmental impact assessment. Rockwater Pty Ltd were engaged to provide hydrogeological and hydrological consulting services, and supervised the installation of seven piezometers (monitoring) bores at the site. The holes for these were drilled by Wallis' drill rig, and upon completion the bores were used for permeability testing. Rockwater has been operating in Western Australia since 1974 and are a highly regarded firm with extensive hydrogeological experience in the Western Australian Goldfields.

The drilling program comprises 43 air core drill holes (1,290m) for resource definition and seven geotechnical holes for mine planning and hydrology studies.

The drilling program lasted three weeks and ended 21st March 2015. A program of drill sample analysis and refined resource estimation will immediately follow the drilling activities.

"We have already demonstrated that we have a significant kaolin JORC Resource at Sandy Ridge (41 Mt¹ = 1,475 year mine), and we are now focusing on defining the premium quality core of the resource with the aim of lodging a mining tenement in the coming months," said Tellus' Managing Director, Duncan van der Merwe.

¹ Refer to Sandy Ridge JORC (20 June '14) media release.

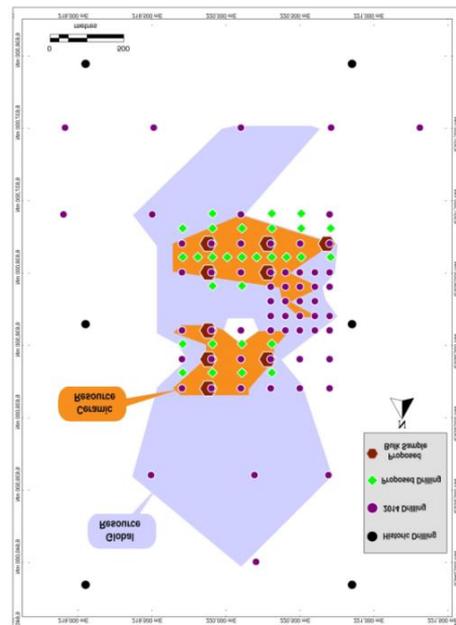


Fig 2: Drill program design

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, EU, USA and Canada. Tellus is developing the Chandler salt mine project in the Northern Territory (NT) and the Sandy Ridge kaolin mine project in Western Australia. Tellus' flagship 'Chandler Project' has recently been awarded "Major Project Status" by the NT Government.

For further information:

Visit: www.tellusholdings.com.au or contact:

Duncan van der Merwe
Jane Munday

Managing Director
Michels Warren Munday

Tel: +61 (0)2 8257 3395
Mob: +61 (0)427 880 083