





NEWS RELEASE

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CHANDLER'S DRY SALT PILOT COMMENCES

-  **Dry processing pilot commences to refine rock salt into saleable grades**
-  **Optical sorting trials in Australia and Germany**
-  **Results to be used in final design and securing off-take agreements**
-  **Dry sorting could significantly reduce the capital and operating costs and water use**

Tellus Holdings Ltd (“Tellus”) is pleased to announce the commencement of dry mineral processing pilot test work to refine Run of Mine (“ROM”) rock salt from its Chandler salt bed, located 120 kilometers south of Alice Springs, into saleable grades.

“Dry sorting of ROM rock salt could significantly reduce both the capital and operating costs of salt production at the company’s flagship Chandler project, and materially reduce water usage at site. This is a proven technology which has been used in rock salt mines around the world for many years, and the sensor technology within this process is improving every year“, said Tellus Managing Director Duncan van der Merwe.

“Completion of this work will significantly de-risk the project and is a major step towards securing binding off-take sale agreements with customers” he said.

This pilot program involves the testing and evaluation of dry processing options for the ROM rock salt and comparing these results to wet processing samples.

The results of this work will provide critical inputs to the final design, costing, and environmental footprint of the Chandler project, and will enable the company to meet an outstanding condition precedent prior to executing binding off-take agreements with Tellus’ interested salt buyers.

The samples have originally undergone crushing, screening and sampling at ALS Metallurgy in Adelaide, before being freighted to TOMRA Sorting Pty Ltd’s laboratory in Sydney where a selection of the most appropriate sensor technology was made.

Samples were then sent to TOMRA’s test centre in Germany where the selected sensor system will be implemented in a mini-bulk scale sorting test work program.



Fig 1: Tomra optical sorter (Germany)

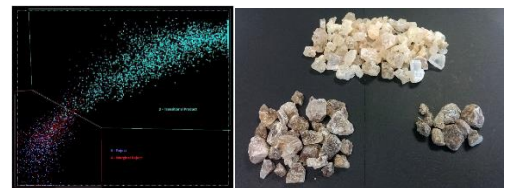


Fig 2: Sorter results

Fig 3: Tellus salt

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The outcomes from the mini-bulk sorting test work will contribute to the recommended sorting process flow sheet and equipment selections, and both 'clean' and 'rejected' salt fractions.

Samples of the cleaned fraction and the resultant assays will be used by Tellus for engagement with a number of Asian and Australian salt buyers, with the aim of converting existing Expressions of Interest into binding off-take agreements.

Mr. van der Merwe said that the reject fraction will be used for other dry mineral processing trials including rare-earth magnetic separation of anhydrite, to be carried out in Western Australia.

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' was recently awarded "Major Project Status" by the Northern Territory Government.

For further information:

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