

NEWS UPDATE

27th June 2018

WESTERN AUSTRALIA MINISTER FOR ENVIRONMENT APPROVES TELLUS' SANDY RIDGE FACILITY

-  **WA Minister for Environment approves Sandy Ridge Facility, subject to conditions**
-  **Sandy Ridge Facility is Australia's first dual open-cut kaolin mine and arid near-surface geological waste repository with a 25-year operating licence**
-  **The project involves mining up to 290,000 tonnes per annum (tpa) of kaolin clay and receiving up to a maximum of 100,000 tpa of Class IV and V waste at the gate**
-  **The project creates approximately 90 construction jobs and 70 operational jobs at peak**
-  **The Facility provides much needed sustainable infrastructure that can assist in *"cleaning up country"*, support the circular economy, create jobs and generate business opportunities**
-  **Tellus' Waste Service Contract order book with waste producers and managers continues to grow on achievement of each milestone**

Tellus Holdings Ltd (Tellus) is pleased to announce that the Western Australian (WA) Environment Minister the Honourable Stephen Dawson MLC has granted Ministerial Approval to Tellus' Sandy Ridge Facility ("Facility"). After weighing up the environmental, economic and social considerations, the WA Government has formed the view that the proposed Sandy Ridge Facility can proceed, subject to conditions and procedures.

The Ministerial Statement can be found here: <http://www.epa.wa.gov.au/proposals/sandy-ridge-project>

Tellus is proposing to develop the Sandy Ridge Facility, Australia's first dual open-cut kaolin mine and arid near-surface geological waste repository with a 25-year operating licence, which is located 240 kilometres by road west north west of Kalgoorlie.

The proposal would involve mining up to 290,000 tpa of kaolin clay and receiving up to 100,000 tpa of Class IV and V waste ("hazardous waste") at the gate over 25 years. Only wastes generated within WA, other Australian States and Territories, and the Australian Exclusive Economic Zone can be accepted.

The kaolin to be mined is suitable for applications in the ceramics, paint and environmental remediation industries. The mine voids created by the kaolin mining would then be used as a semi-arid, near surface waste geological repository.

Geological repositories are facilities that can offer long term storage, treatment, recovery and permanent isolation of equipment and hazardous waste services.



Figure 1: Ministerial Statement



Geological repositories provide the highest level of containment for hazardous waste (chemical waste) and low level radioactive waste (LLW) from the biosphere over geological time. This is achieved through a combination of carefully selected active and passive control measures. This is known as a multi-barrier system that can permanently isolate waste from the biosphere. A geological repository and Tellus' safety case relies on multiple fail-safe mechanisms underpinned by man-made barriers (active controls) and natural barriers (passive control) that includes geographic, geological, climatic and seismic factors, that combined are superior to any active controls.

Geological repositories have been operating in Europe since the 1970s and more recently in the UK, North and South America and Africa. They are recognised globally as world's best practice for the storage and/or permanent isolation of hazardous waste and LLW.

"Tellus is pleased that all our hard work over the last five years in completing feasibility studies, stakeholder engagement, achieving commercial progress and carrying out a rigorous environmental impact assessment has met regulatory and community expectations," said Tellus Managing Director, Duncan van der Merwe.

"Tellus expects to create up to 90 jobs during the construction phase of the project and just over 70 operational jobs at peak manning supported by a 70-man operational phase accommodation camp.

"The Facility provides much needed sustainable infrastructure that can assist in "cleaning up country", support the circular economy, create jobs and generate business opportunities."

Australia is one of the largest emitters of hazardous waste on a per capita basis. A massive legacy stockpile has built-up across WA and the country as there is insufficient world's best practice infrastructure at competitive price points.

In its simplest definition, hazardous waste is waste that can harm the environment or human health and therefore should be removed from the biosphere where it can pose a threat.

The Sandy Ridge Facility proposes to accept mostly contaminated soils from site remediation projects, asbestos from housing projects, PFOS (fire-fighting foam), acids and alkaline wastes from industry, arsenic and cyanide from the gold industry, hydrocarbon wastes from the oil and gas industry etc. and wastes generated from man made or natural disasters (State Emergency Facility). Other waste types would come from the agriculture, manufacturing, utilities, including household hazardous wastes collected by waste management companies.

Tellus will accept a small volume of low-level radioactive (LLW) wastes such as medical isotopes, disused sealed radioactive sources (DSRS) from sources such as measuring equipment and smoke alarms etc, and naturally occurring radioactive material (NORM) as a result of processing mostly from the minerals sands, water desalination plants and the oil and gas industry.

Tellus will not be accepting Intermediate Level (ILW) and High Level (HLW) wastes. Tellus will not accept nuclear waste and is not a nominated site under the National Radioactive Waste Management Facility site selection process.

Tellus believes that most hazardous wastes under environmentally sound management (ESM) principals should be permanently isolated to protect the environment and human health, however there are some wastes that should be seen as a valuable resource and we should find ways for it to be recovered and re-enter the circular economy or stored safely until it can be reused or recycled.

Receipt of the Ministerial Approval is subsequent to the December 2017 Report and Recommendations of the Environmental Protection Authority's (EPA). EPA Report 1611 recognised that site selection is the most critical consideration for a near-surface geological waste repository and recommended that the Minister approve the project. The EPA agrees that the proposed site's characteristics of geological stability, deep impermeable clay soils, low rainfall, low land erosion potential and remoteness make it conditionally-suitable for a near-surface geological waste repository. The Sandy Ridge site is also in close proximity to the existing Class V Intractable



Waste Disposal Facility at Mount Walton East which became operational in 1991 and has been monitored twice a year for 26 years and has demonstrated the suitability of the localities characteristics.

Subsequently thirteen Ministerial conditions have now been placed on the project. These mostly compliance related conditions are consistent with Tellus' expectations and include, for example, detailed record-keeping and reporting, independent audits and implementation of a number of management plans and that the Company has adequate assurance (bank guarantee) and insurance at all times to cover unlikely but credible risk events.

"Tellus' Waste Service Contract order book with waste producers and managers continues to grow on achievement of each milestone. The next step is for Tellus to reach final investment decision, financial close and commence construction in the second half of the year," Mr van der Merwe said.

About Tellus Holdings:

Tellus Holdings Ltd ("Tellus") mission is to contribute towards a cleaner Australia by developing a portfolio of geological repositories that provide waste storage, recovery and permanent isolation solutions plus complementary salt and clay products to our clients.

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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