





# NEWS UPDATE

1<sup>st</sup> February 2019

## TELLUS REACHES FINANCIAL CLOSE FOR SANDY RIDGE DEVELOPMENT FUNDING

-  **Tellus Holdings Ltd reaches financial close on the \$102 million debt facility**
-  **First debt drawdown has taken place**
-  **Tellus' existing shareholder equity entitlements significantly oversubscribed**
-  **Notice to proceed provided to Contractors to commence stage one enabling works**

Tellus Holdings Ltd (“Tellus” or the “Company”) is pleased to announce that the Company has satisfied the remaining condition precedents (“CP’s”) included in the debt facility agreement. The satisfaction of those CP’s was required before any initial debt drawdown could commence. This first drawdown has now taken place and will fund the completion of stage one enabling works at the 100% owned Sandy Ridge Facility (“Sandy Ridge”).

In addition to the debt facility, Tellus is also pleased to announce that it has successfully completed the shareholder entitlement portion of the previously announced equity issuance. The entitlement offer was significantly oversubscribed and exceeded Tellus’ initial target raising with strong support from Tellus’ existing shareholders.

Tellus has now issued the Notice to Proceed to the engineering procurement and construction (“EPC”) contract to GR Engineering Services Ltd and the project management consultant (“PMC”) Turner & Townsend to begin stage one enabling works for Sandy Ridge. The stage one enabling works include engineering, design and long lead procurement activities including the manufacturing of the cell air dome foundation blocks and offsite civil works under existing approvals.

“On behalf of the Tellus team and the Board of Directors, we would like to thank our value adding existing shareholder base and welcome our new debt financiers and shareholders” said Tellus Managing Director, Duncan van der Merwe. “This is a transformational milestone for Tellus, with the Company now beginning the staged enabling works, build and soon to start operations in alignment with regulatory approvals at the Sandy Ridge Facility”.



### **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 clay and salt products to our clients. This dual revenue model involves mining kaolin clay and rock salt commodities located in thick dry remote formations creating world's best practice geological solutions. The voids created by mining will be 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 integrates long-term storage solutions 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.*

### **About Sandy Ridge:**

*Tellus is proposing to develop the Sandy Ridge facility, Australia's first dual open-cut kaolin mine and arid near-surface geological waste repository in a 70-million-year-old kaolin clay bed 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 facility gate over 25 years. Only wastes generated within WA, other Australian States and Territories, and the Australian Exclusive Economic Zone can be accepted, subject to meeting the facility's waste acceptance criteria.*

### **About kaolin clay:**

*The kaolin to be mined is suitable for applications in the ceramics, paint and environmental remediation industries.*

### **About hazardous waste**

*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. Australia is one of the highest emitters of hazardous waste per capita. Approximately 10% of Australian reported waste is classified as hazardous (by volume). Annual hazardous waste production in 2015 was approx. 45 M tpa, with only 5.3 M tpa reported and entering the waste market. The legacy hazardous waste stockpile in Australia is 1 Billion tonnes and growing. There is insufficient infrastructure at competitive price points to permanently solve the problem or recover valuable materials. Tellus Sandy Ridge facility will be licenced to accept Class IV (Secure Landfill) and Class V (Intractable Landfill) waste from all of Australia. The majority is chemical waste from a broad spectrum of industrial sectors, including mining, oil and gas, contaminated site remediation, and utilities, along with a small amount of low level (LLW) Naturally Occurring Radioactive Materials (NORM) and low level Disused Sealed Radioactive Sources (DSRS). Tellus' Sandy Ridge facility will not accept any nuclear waste, or waste streams falling under intermediate (ILW) or high level (HLW) radioactive waste designations.*

### **About geological repositories:**

*Geological repositories are facilities that can offer long term storage, treatment, recovery and permanent isolation of equipment and hazardous waste services. Geological repositories provide the highest level of containment for hazardous waste (chemical waste) and low-level radioactive waste (LLW) isolating them 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. Tellus' safety case relies on multiple fail-safe mechanisms but the strongest barrier of them all is the passive control mechanism. In other words, the carefully selected site and host rock which does not require ongoing monitoring is the fundamental property of geological waste repositories, which remain passively safe through geological time.*

### **For further information:**

Visit: [www.tellusholdings.com.au](http://www.tellusholdings.com.au) or contact:

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