NEWS UPDATE

21st April 2016

TELLUS SIGNS KAOLIN MARKET DEVELOPMENT AGREEMENT WITH AMR LTD

- Binding agreement signed with AMR Ltd, major Hong Kong based kaolin trading house
- AMR to provide kaolin market development and distribution services focused on Asia
- Opens up high value growing South East Asian ceramics markets for Tellus kaolin

Tellus Holdings Ltd (Tellus) is pleased to announce it has executed a binding market development agreement with Asia Material Resources Limited (AMR) which will pave the way for Tellus’ high grade kaolin clay to enter the attractive ceramics markets, with a focus on the growing South East Asian markets.

The initial market development works involves promoting Tellus kaolin products, achieving market technical and pricing acceptance, determining likely sales tonnage per year and securing sales agreements.

On satisfactory completion of these works, AMR will act as the ongoing Agent or Distributor for the kaolin products in South East Asia (Cambodia, Malaysia, Philippines, Thailand, Vietnam, exceptions in Indonesia), South Asia (Bangladesh, Sri Lanka and India), East Asia (Taiwan and South Korea) and South Africa.

AMR, founded in 2008, is a venture between long-established ceramic and allied material trading and processing companies with collective experience covering industries such as tiles, tableware, sanitary ware and glass.

AMR has extensive coverage in East Asia and global distribution. It provides significant, specialist ceramic industry knowledge which is crucial in accessing the varied alternative kaolin markets.

Tellus is developing the Sandy Ridge Project in Western Australia and will be mining the mineral kaolin for ceramic, paint and other industrial markets.
The project has more than 25 years of kaolin and will feature a complementary storage facility.

“This unique sustainable dual revenue business model will support Tellus’ objective of becoming one of Asia’s most reliable and long-term suppliers of high quality kaolin throughout commodity cycles,” Tellus Managing Director Duncan van der Merwe said today.

In addition to being a significant trader of kaolin, AMR has its own kaolin project in Vietnam. Kaolin is a relatively varied product, with projects from around the world exhibiting different properties, such as plasticity, colour and texture.

“One of the significant benefits of working with AMR is the potential to develop a blended product, using Tellus Australian kaolin, AMR Vietnamese kaolin and potential additional sources and minerals to create a product of higher value than each of its constituent parts,” Mr van der Merwe said.

Before formalising the relationship with AMR, Tellus visited AMR facilities throughout Asia. The two companies have done significant product testing at independent laboratories as well as with end use customers.

Andrew Mountford, Director of AMR, said: “We are excited about our partnership with Tellus and look forward to playing a key role in bringing this new source of high grade kaolin to market.”

“Tellus is delighted to form this relationship with a recognised market leader such as AMR. We look forward to working with AMR to finalise our market entry strategy and become a long-term, reliable supplier to major kaolin customers throughout Asia,” Mr van der Merwe said.

**About Tellus Holdings:**

*Tellus Holdings Ltd is an infrastructure project development company with a proposed dual revenue infrastructure business model. This involves mining the commodities salt and kaolin and backfilling the voids left from mining with equipment, archives or long term storage of waste. Tellus plans to store like-with-like materials, so as to create opportunities for the future long-term, storage, treatment and recovery of valuable materials or the permanent isolation of waste. Tellus’ business model mirrors world’s best practice solutions operating in the UK, Europe, USA and Canada. Tellus is developing the Chandler project in the Northern Territory (NT) and the Sandy Ridge project in Western Australia (WA). Tellus’ flagship ‘Chandler Project’ has been awarded Major Project Status by the Northern Territory Government.*

**For further information:**

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

Duncan van der Merwe  
Managing Director  
Tel: +61 (0)2 8257 3395

*Corporate and Chandler Project:*  
Jane Munday  
Michels Warren Munday (Media)  
Mob: +61 (0)427 880 083

*Sandy Ridge Project:*  
Cameron Morse  
FTI Consulting (Media)  
Tel: +61 (0)8 9485 8888