Tellus Chandler Salt Mine Project Briefing

NT Government Trade and Investment Seminar - Tokyo- Imperial Hotel
Akira Harada – Director Tellus International P/L
23rd October 2013

Tellus Group

<table>
<thead>
<tr>
<th>Salt / Minerals</th>
<th>Storage</th>
<th>Complementary</th>
<th>Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Industrial &amp; Edible Salt" /></td>
<td><img src="image2.png" alt="Minerals - Fertiliser" /></td>
<td><img src="image3.png" alt="Storage / Disposal" /></td>
<td><img src="image4.png" alt="Renewable Energy Salt Mine Tourism Spin Off Salt Business" /></td>
</tr>
</tbody>
</table>

Sandy Ridge Project (WA)
Important Notice and Disclaimer

Summary information

This presentation (Presentation) has been prepared by Tellus Holdings Ltd (ABN 97 138 119 829) (Tellus) and is for information purposes only. This Presentation contains summary information about Tellus and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with other periodic announcements on www.tellusholdings.com.au. The key information on detailed Exploration Target statements and feasibility results can be found in Tellus’s media releases. Exploration Targets statements are appended to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

Future performance This Presentation contains certain “forward-looking statements”. Forward looking words such as, “expect”, “should”, “could “, “may”, “plan”, “will”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Not an offer

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment.

Competent Person Statement

The information in this presentation that relates to exploration results is based on information reviewed by Dr. Simon D. Beams, a full time employee of Terra Search Pty Ltd, geological consultants employed by Tellus Holdings Limited. Dr. Beams has BSc Honours and PhD degrees in geology; he is a Member of the Australasian Institute of Mining and Metallurgy (Member #107121) and a Member of the Australian Institute of Geoscientists (Member # 2689). Dr Beams has sufficient relevant experience in respect of the style of mineralisation, the type of deposit under consideration and the activity being undertaken to qualify as a Competent Person within the definition of the 2004 Edition of the AusIMM’s “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Exploration Target

Note All statements as to exploration targets of Tellus salt and kaolin statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a salt resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained in this document as to exploration results or exploration targets has been made consistent with the requirements of the Australasian code for reporting of exploration results, mineral resources and ore reserves (“JORC Code”).
Contents

1. About Tellus Holdings Limited
2. Project Locations
3. Chandler Salt and Associated Mineral Products
4. Challenge and Solution
5. Chandler Project Update
A. Appendix – Sandy Ridge Kaolin Mine Project Update
About Tellus Holdings Limited

- Public unlisted company
- Vision – integrated business model
  - Development of underground rock salt and clay mineral deposits
  - Storage/disposal business using voids created from mining
  - Commodity and annuity style revenue streams
- Strong Board and management team
- Proven track record of developing and operating mines and storage projects
- First mover in Asia to implement integrated salt and kaolin mining and storage business
- Safe, proven, long term business model
- 3 projects
  - Chandler, Sandy Ridge ClayVault
- Commercial opportunities from Australia to Asia
- Commercial opportunities from Asia to Australia

Chandler salt mine
- JORC Exploration Target: 4.5-5 Billion tons halite+
- Definitive feasibility study
- Stage 1
  - 1M tpa salt & mineral (fertilizer) sales
  - Storage/disposal sales
  - 25 year mine life

Sandy Ridge kaolin mine
- JORC Exploration Target: 179 - 512 Million tons kaolin
- Desktop study
- Stage 1
  - Desktop to confirm volume (50-100k tpa kaolin sales?)
  - Storage/disposal sales
  - 25 year mine life

* Refer to Important Notice and Disclaimer and Media Release 26 March 2013 for Competent Person Statement and Exploration Target Definition
Darwin – gateway to Asia

Central Australia has potential to be Australia’s salt and fertiliser capital
Tellus projects close to existing infrastructure
Darwin gateway to Asia
## Salt Cavern and Mine Locations - International

<table>
<thead>
<tr>
<th>Region</th>
<th>Projects (underground brined salt caverns and mined rooms in salt beds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>&gt;100 projects (400 brined caverns)</td>
</tr>
<tr>
<td>Europe</td>
<td>49 Projects (Germany 30 salt/backfill mines)</td>
</tr>
<tr>
<td>Asia</td>
<td>13 projects (China 6)</td>
</tr>
<tr>
<td>Russia</td>
<td>9 projects</td>
</tr>
<tr>
<td>Africa</td>
<td>1 project in Morocco</td>
</tr>
<tr>
<td>South America</td>
<td>1 project in Brazil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>&gt; 150 projects incl. &lt; 500 caverns/ mines</td>
</tr>
</tbody>
</table>

Source: SMRI 2003-5: Table 3, 4 & 5

- **Underground salt mine layout**
- **Salt and fertilizer mining**
- **Voids used for archive storage**
- **Voids used for waste storage**

Safe, proven, long term business model
Chandler - Salt and associated mineral products

- Synesthetic soda ash
- Food / food processing
- Fertilisers
  Potential for Potash, Magnesium, Iodine, Bromide, Lithium minerals – confirmed in new drilling
- Chlor-alkali
- Industrial fluxes
- Water treatment
- Animal feedstuffs
- Specialty salts
Challenge and solution – rock salt the way of the future

Salt – challenge
- Difficulty getting environmental approvals for new Australian projects (3 recent failed applications for solar ponds 2.5M, 3-4M & ~1M tpa)
- Australian & Asian salt produced mostly by coastal solar ponds – heavy rain disrupts supply for months at a time
- No rock salt mining exists in Australia -yet

Salt - Tellus’ competitive advantage
- Tellus is in a strong position to meet Asian demand by providing a guaranteed volume and quality of salt
- Large scale resource – easily scalable
- Reliable supplier - not influenced by climate
- Associated minerals – e.g. fertilisers (high value)
- Cross selling storage solutions to salt buyers with storage problems

Can scale up to meet growing demand and supply at short notice
Not affected by wet weather events when coastal operators are
Plan to be Asia’s most reliable supplier
Chandler - experienced management team in place

- **Experienced corporate team**
  - Richard Rossiter
    - Group Interim Chairman
    - Chairman
    - Realm Resources, ex Macquarie, JP Morgan
  - Duncan van der Merwe
    - Group MD
    - Mining (Gencor CSM Energy), waste & infrastructure (BOS)
  - Brett Boynton
    - Group FD
    - Ex UBS, FBR Capital & Credit Suisse, Signature Gold
  - Joe Luxford
    - Tellus Mining
    - Mine development engineer BHP, Rio, Xstrata, Anglo Coal

- **Experienced commodity team**
  - Bob Emery
    - Tellus Salt Chair
    - Ex GM Dampier Salt, Ex CEO of Albany Port (WA)
  - Michael Carter
    - Tellus Salt Sales
    - Ex BD Director Penrice Soda, ICI Australia, Merck, Ajax Chemicals
  - Akira Harada
    - Tellus International NED
    - CEO MCN Corp, Ex GM Okaru & Co, Japanese trading houses
  - Jaime Livesey
    - Senior Geologist
    - Terra Search exploration managers

- **Experienced waste management team**
  - John Cook
    - Tellus RockVault Chair
    - Ex NSW Chief Mining Engineer, Ex MD Waste Service NSW
  - Ron Sifton
    - Tellus RockVault NED
    - Ex MD Waste Service NSW
  - Mark Shepherd
    - Tellus RockVault NED
    - Ex MD Coffey WA, managed Australia’s only Class V waste facility
  - Robert Charter
    - Business Development
    - Ex FD Newalta, Canada’s largest salt cavern waste storage operator
  - Noel Davis
    - MD ClayVault WA
    - Ex WA Environmental Regulator, Managed only Class V waste facility

Tellus consists of an exceptional board and management team with key individuals having a proven track record developing large complex mines and heavily regulated storage projects.
5 Chandler – Rediscovering the Chandler Salt Bed

Cambrian -580myo lifeless land teeming ocean

Salt acts as trap for oil and gas

Potentially Australia’s largest shallowest underground rock salt deposit
PFS results: Project technically feasible, economically viable - no fatal flaws
Chandler - DFS Stage 1 Update

Legend

Sacred Site Clearance Area
- Proposed Portal Location
- Proposed Decline Alignment
- Proposed 2D Seismic Lines
- Proposed UG Mine Area
- Proposed Mine Infrastructure Area
- Proposed Temporary Camp
- Halfway Dam
- EL Boundary
- 2008 CTP 2D Seismic Lines
- Existing Access Tracks

Mine Access Road
- Route Option 1
- Currently Proposed

Rail Haul Road
- Rail Haul Road
- Currently Proposed

Railway siding (25km from mine)

For further information, please contact:
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Low Ecological Services P/L

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Ref: WQG2G18Map宁愿Project\Mapping\Map @General_Location

DATA SOURCE:
Universal Transverse Mercator (UTM) (background:
Map Grid of Australia (MGA), Zone 53 ESRi, DigitalGlobe, Geocyes, i-cubed, USDA,
HORIZONTAL DATUM: UGS8, AEX, Geotmpping, Aerogrid, IGN, IGP,
Geodetic Datum of Australia (GDA94) swisstopo, and the GIS User Community

Chandler Salt Mine Project
General Location
Chandler - DFS Stage 1

DFS – Tellus plans to drill 5 wells in the salt (JORC resource/ mine planning) and 6 wells down the decline (mine planning)

Stage 1 Tellus plans to drill three 900m deep wells, recovering 600m of salt core, 1m samples, core sent to Germany for analysis
### Chandler – complementary storage business

<table>
<thead>
<tr>
<th>General</th>
<th>Licensed</th>
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</thead>
<tbody>
<tr>
<td>1. Type</td>
<td></td>
</tr>
<tr>
<td>Archives</td>
<td>Storage (K+S-German salt Mine)</td>
</tr>
<tr>
<td>Bulk commodity/ SES</td>
<td>Recovery (Al flux salts)</td>
</tr>
<tr>
<td>Equipment</td>
<td>Disposal (K+S-German salt Mine)</td>
</tr>
</tbody>
</table>

**Rooms created from mining used for safe storage and disposal (mining, oil and gas waste, no nuclear waste)**

1. **Unloading**
2. **Testing & document control**
3. **Transport underground**
4. **Unloading in rooms (storage)**
5. **Disposal – containers backfilled**
6. **Disposal – rooms closed**

**Process flow**

- **Tellus Holdings**

**Using international “best practice”, tried and tested techniques**
Chandler – complementary storage business (Darwin marine supply base)

- East Arm has 775m of continuous quay line which is available to Port users on a common user basis.
- Rig Tender Berth 140m Depth: 12.2m
- Bulk Loader Berth 280m Depth: 12.5m
- General/Container Berth 145m Depth: 11.8m
- Liquid Berth 210m Depth: 11.8m

Bulk & container handling infrastructure for salt exports

Darwin – main marine supply base for offshore oil fields

- Darwin – marine supply base (artist impression)

$35billion Inpex project being built in Darwin

Oil and gas industry produces large volume of upstream, midstream and downstream waste – Chandler can sell drilling salts to industry and backhaul wastes.
Tellus has option on 3 ha block in Darwin harbor – Darwin gateway to Asia
What has been achieved to date <<  

Future milestones >>

**Chandler - timetable approvals & agreements**

- **Completed Pre-feasibility study (FEL2)**
- **Definitive feasibility study (FEL3)**
- **Final engineering (FEL4) & build**
- **Financial close**
- **1st storage sales**
- **1st salt sales**

- **Completed desktop study (FEL1)**
- **Positive early stage commercial negotiations**
- **Final commercial negotiations**
- **Expansion of team Mine Management Plan – EO approved**
- **Exploration Deed signed**
- **JORC Expl. target**
- **MMP Operations application & EIS**
- **Approvals late 14**

- **Secured and expanded NT EL leases**
- **Extensive community & government engagement**
- **Mine Management Plan – EO approved**
- **Exploration Deed signed**
- **JORC Resource**
- **DFS Stage 1**
- **DFS Stage 2**

- **2009**
- **2010**
- **2011**
- **2012**
- **2013**
- **2014**
- **2015**
- **2016**
Next steps

Chandler Salt Mine Project

• Tellus received expressions of interest for volume exceeding proposed 1M tpa
• Nov ’13 complete 3 hole drill program to get JORC Resource, mine plan update, samples and product sheets (site visit invitation)
• Feb ’14 definitive feasibility study stage 1 (GO/NO GO STEP)
• Looking for parties to assist in mine development:
  – Off take only
  – Mine financing (equity, off take finance or debt)
  – Supply chain parties (pit to port and port to customer in Asia)
  – Service and equipment suppliers to mine

Sandy Ridge Kaolin Mine Project

• Dec ’13 completed a 50 hole drill program
• If initial results promising commence detailed community engagement, feasibility studies and commercial negotiations
Appendix
# Sandy Ridge Project - Overview

<table>
<thead>
<tr>
<th>Name</th>
<th>Sandy Ridge Kaolin Mine Project</th>
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<tbody>
<tr>
<td><strong>Asset</strong></td>
<td>100% owned by Tellus – one granted exploration license covering 59 km²</td>
</tr>
<tr>
<td><strong>Product</strong></td>
<td>Kaolin and associated minerals</td>
</tr>
<tr>
<td><strong>Project stage</strong></td>
<td>Desktop (FEL1)</td>
</tr>
<tr>
<td><strong>Geology</strong></td>
<td>Flat, 3-5 m deep, kaolin thickness 7-35 m thick</td>
</tr>
<tr>
<td><strong>Historic exploration</strong>*</td>
<td>Historic exploration of a general area - 63 drill holes, project area 10 drill holes</td>
</tr>
<tr>
<td></td>
<td>Holes drilled for geotechnical purposes, not mine mineral analysis</td>
</tr>
<tr>
<td><strong>Exploration target</strong></td>
<td>179 to 512 Mt kaolin</td>
</tr>
<tr>
<td><strong>Grade</strong></td>
<td>To be confirmed - assume export quality</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td>Received expressions of interest from Asia (Tellus Tokyo office)</td>
</tr>
<tr>
<td><strong>Next step</strong></td>
<td>Exploration – 50 shallow drill hole program</td>
</tr>
<tr>
<td></td>
<td>Core analysis and simple benefication to confirm paper grade and other applications</td>
</tr>
<tr>
<td></td>
<td>Desktop GO/NO GO Step</td>
</tr>
<tr>
<td></td>
<td>If GO - Commence broad community engagement, detailed feasibility studies, commercial discussions</td>
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</tbody>
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Historic exploration in general area - 63 drill holes, project area 10 drill holes, 179 to 512 Mt JORC exploration target

What Are We Proposing - Stage 1 Exploration

50 plus holes 40-50m deep in 1km² area, kaolin is shallow 3-5 m from surface and 7-35 m thick

The largest use of kaolin is in the manufacturing of paper as coating and filler.
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