

Tellus Resources Limited is an Australian-based oil & gas and mineral exploration company with licences in South Australia, Queensland and New South Wales. The Company also has oil interests in Utah, USA in a well established oil province.

Directors:

Robert Kennedy - ***Chairman***

Carl Dorsch - ***Managing Director***

Neil Young - ***Non-Executive Director***

Issued Shares:

194,348,295 ordinary shares

Tellus Resources Ltd

ASX Code: TLU

T: +61 8 8100 9200

F: +61 8 8227 0544

Website:

www.tellusresources.com.au

Enquiries:

Tellus Resources Ltd

Level 5, 70 Pirie St.

(PO Box 190, Rundle Mall)

Adelaide SA 5000

Attention: Carl Dorsch

M: +61(0)400 508 088

Carl.Dorsch@tellusresources.com.au

General Meeting- 249D Notice

Tellus Resources Limited (TLU or the Company) wishes to advise that a General Meeting of Shareholders will be held on the 7th October 2014 in relation to the notice under s249D of the Corporations Act 2001 announced on 26th August.

The relevant Notice of Meeting with Proxy Form is attached and will be posted out today.

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

A PROXY FORM IS ENCLOSED

General Meeting to be held at
Level 9, 211 Victoria Square, Adelaide, SA 5000 on
7 October 2014 at 11:00am ACDT

IMPORTANT NOTICE TO SHAREHOLDERS

This Notice of General Meeting and Explanatory Statement require your immediate attention. They should be read in their entirety.

The Meeting has been called in response to a notice, received by the Company on 6 August 2014, and issued by Shareholders who together hold in excess of 5% of the voting shares in the Company.

The purpose of the meeting is to consider resolutions to remove one of the current Directors of the Company and replace him with three nominees of the Shareholders who have issued the notice.

If you are in doubt as to the course of action you should take and how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

**The Directors recommend
that Shareholders vote
AGAINST
all resolutions at this
Extraordinary General Meeting**



Letter from the Chairman, Mr Robert Kennedy

Dear Tellus Shareholder,

Attached is a Notice of General Meeting which includes a Requisitioning Shareholders' Statement.

The business of the General Meeting is to consider the resolutions proposed by the requisitioning shareholders that, Messrs David Nolan, Stephen Brent and Heath Roberts be elected as Directors of the Company and that Mr Neil Young (and any new Directors appointed prior to the Meeting) be removed from their positions as Directors of the Company.

In the view of the Board, it could be seen that affirmative votes at the General Meeting to these resolutions would lead to a change of control of the Company in circumstances that would avoid a formal takeover offer being made to all shareholders.

The current Board of Directors, comprising Messrs Robert Kennedy, Chairman, Carl Dorsch, Managing Director and Neil Young, Non-Executive Director, is a Board whose members are very experienced in the oil and gas industry and as Directors of ASX listed companies.

This Board has the required mix of experience and skills necessary to secure and develop a portfolio of oil and gas assets, manage existing assets and ultimately increase shareholder value.

Given the present size and requirements of the Company, it is considered that a three person board is adequate for current purposes. The Board does, however, intend to monitor its composition as growth projects progress.

On this basis, I recommend that you, the shareholder, vote against all resolutions proposed.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Robert Kennedy", is written over the printed name and title.

Robert Kennedy
Non-Executive Chairman
Tellus Resources Limited (ABN 35 144 733 595)
31 August 2014

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Tellus Resources Ltd (**Tellus Resources or the Company**) will be held at Level 9, 211 Victoria Square, Adelaide SA 5000 on 7 October 2014 at 11:00am ACDT.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting sets out the background information on the various matters to be considered. This Notice of General Meeting and Explanatory Statement should be read in their entirety.

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 - ELECTION OF MR DAVID NOLAN AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

'That subject to Resolutions 2 and 3 being passed, Mr David Nolan, having consented to act, be elected as a director of the Company.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by Mr David Nolan and his associates. *However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

2. RESOLUTION 2 - ELECTION OF MR STEPHEN BRENT AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

'That subject to Resolutions 1 and 3 being passed, Mr Stephen Brent, having consented to act, be elected as a director of the Company.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by Mr Stephen Brent and his associates. *However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

3. RESOLUTION 3 – ELECTION OF MR HEATH ROBERTS AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

'That subject to Resolutions 1 and 2 being passed, Mr Heath Roberts, having consented to act, be elected as a director of the Company.'

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by Mr Heath Roberts and his associates. *However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

4. RESOLUTION 4 – REMOVAL OF MR NEIL YOUNG AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

‘That Mr Neil Young be removed as a Director of the Company with immediate effect.’

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by Mr Neil Young and his associates. *However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

5. RESOLUTION 5 – REMOVAL OF DIRECTOR/S

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

‘That, any person appointed as a director of Tellus Resources Ltd on and from the date of the Requisition until the commencement of the general meeting held pursuant to this Requisition be removed as a director of the Company with immediate effect.’

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by any person or their associate who was appointed as a director from the date of the Requisition until commencement of the General Meeting.

OTHER BUSINESS

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

Please note defined terms used in this Notice have the same meanings set out in the Glossary of Explanatory Memorandum.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

VOTING ENTITLEMENT

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the General Meeting will be as it appears in the Share Register **at 11:00 am ACDT on 5 October 2014.**

PROXIES

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

General

A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote at the General Meeting.

Where more than one proxy is appointed and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes. A proxy may, but need not be, a member of Tellus Resources.

Appointment of a proxy by a member who is a corporation must be executed in accordance with section 127 of the Corporations Act.

A Proxy Form accompanies this Notice of General Meeting.

To be effective, the completed proxy together with the power of attorney (if any) under which it is signed, must be received at the Company's corporate registry, Computershare Investor Services Pty Limited, at one of the addresses or the facsimile number below no later than 48 hours before the commencement of the meeting:

- (a) By Mail: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001
 Australia
- (b) By Facsimile: 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
- (c) Custodians: Intermediary Online subscribers only www.intermediaryonline.com

Any proxy form received later than 48 hours before the commencement of the meeting will not be valid for the meeting.

Corporate Representative

If a representative of a corporate shareholder is to attend the meeting you will need to provide the completed appropriate "Certificate of Appointment of Corporate Representative" prior to the admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

By order of the Board

A handwritten signature in dark ink, appearing to read 'C. Dorsch', is written over a faint horizontal line.

CARL DORSCH
Managing Director

Date: 2 September 2014

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the information of shareholders in relation to the business to be conducted at the General Meeting to be held Level 9, 211 Victoria Square, Adelaide, SA 5000 at 11:00am ACDT.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. This Explanatory Statement is to provide shareholders with information that is reasonably required by them to decide how to vote upon the resolution.

A number of words or terms used in this Explanatory Statement have defined meanings, which are set out in the Glossary.

ELECTION OF MR DAVID NOLAN AS A DIRECTOR (Resolution 1)

Resolution 1 asks shareholders to elect Mr David Nolan to the Board, subject to Resolutions 2 and 3 asking shareholders to elect Mr Brent and Mr Roberts to the Board being passed.

For the reasons set out in the section below, the Directors unanimously recommend that shareholders vote **against** Resolution 1.

The Chairman of the Meeting intends to vote undirected proxies against Resolution 1.

ELECTION OF MR STEPHEN BRENT AS A DIRECTOR (Resolution 2)

Resolution 2 asks shareholders to elect Mr Stephen Brent to the Board, subject to Resolutions 1 and 3 (asking shareholders to elect Mr Nolan and Mr Roberts to the Board) being passed.

For the reasons set out in the section below, the Directors unanimously recommend that shareholders vote **against** Resolution 2.

The Chairman of the Meeting intends to vote undirected proxies against Resolution 2.

ELECTION OF MR HEATH ROBERTS AS A DIRECTOR (Resolution 3)

Resolution 3 asks shareholders to elect Mr Heath Roberts to the Board, subject to Resolutions 1 and 2 (asking shareholders to elect Mr Nolan and Mr Brent to the Board) being passed.

For the reasons set out in the section below, the Directors unanimously recommend that shareholders vote **against** Resolution 3.

The Chairman of the Meeting intends to vote undirected proxies against Resolution 3.

REMOVAL OF MR NEIL YOUNG AS A DIRECTOR (Resolution 4)

Resolution 4 asks shareholders to remove Mr Neil Young from the Board.

For the reasons set out in the section below, the Directors unanimously recommend that shareholders vote **against** Resolution 4.

The Chairman of the Meeting intends to vote undirected proxies against Resolution 4.

REMOVAL OF DIRECTOR/S (Resolution 5)

The purpose of this resolution is to remove any director appointed to the Board between the date of requisition of the meeting by the shareholders and the commencement of the general meeting requested by the shareholders.

For the reasons set out in the section below, the Directors unanimously recommend that shareholders vote **against** Resolution 5.

The Chairman of the Meeting intends to vote undirected proxies against Resolution 5

Rationale for the Directors' voting recommendations

Set out below are the principal and non-exclusive reasons why the Directors have recommended that shareholders should vote against the resolutions:

The Meeting has been requisitioned by a shareholder (and his controlled entities) who holds a 10.89% stake in the Company. It could be seen that the primary practical effect of voting for the resolutions proposed by this shareholder would be to effect a change of control in the company without making a formal takeover offer, with an associated takeover premium, to all shareholders. This would be achieved by removing one current Non-Executive Director and electing three new Directors to the Board. The new Directors would then have a majority of the Board and as such effective control of the Company.

Your Board has sought to address proposals put forward by the requisitioning shareholder in recent months over the strategic direction of the Company. However such dialogue has proved fruitless. The Board has the primary imperative of running the Company for the benefit of all shareholders, not just one minority shareholder.

None of the proposed new Directors has had any dialogue with the Board.

The composition of the current Board is one with the range of skills required to direct and manage an oil and gas exploration company of the Company's current size. Its members have a track record, as members of the board and management of other oil and gas companies, of delivering value to shareholders. Based on the limited information provided, the nominees appear to have no such oil and gas track records.

The Company's current fiscal resources reflect its small size. As such, the Board considers that a three person Board is currently an optimal size. Putting in place five Directors would impose a disproportionate cost burden on the Company.

In the relatively short period since the current Directors were appointed to the Board, a substantial reshaping of the Company's asset portfolio has been effected, with the following key elements now in place:

- A joint venture interest in acreage in Utah, United States which is the subject of an imminent drilling campaign targeting a large conventional crude oil prospect. The first well has been fully funded on a risk basis.
- Another joint venture interest in Australia's Cooper Basin, with a fully carried project. This interest is in three long term retention leases.
- The Company is currently seeking to complete the acquisition of an interest in a very prospective petroleum tenement in onshore Madagascar.
- The Company has hard rock exploration permits in Queensland and New South Wales and is presently reviewing a number of options in relation to these exploration permits.

The Board considers it has a high quality portfolio of assets for a company of its size. They provide a breadth of risks, upcoming activity, good addresses, quality partners and significant upsides.

For all of the above reasons the Board considers that it is in the best interests of the Company and its shareholders to retain the current Board as it is currently composed and to reject the resolution to remove one Director from the Board and elect three new Directors, none of whom appears to have much experience in oil and gas exploration or building a successful oil and gas company.

It is the Board's recommendation, therefore, that shareholders vote against all 5 resolutions proposed by the requisitioning shareholders

Requisitioning Shareholders' Statement

Statement by: Paragon Group Holding Limited, Rich Peak Enterprises Limited, Asia Pacific Mining Pte Ltd and Ben Cameron Salmon (**Requisitioning Shareholders**):

1. The Statement has been prepared by the Requisitioning Shareholders to set out the reasons for proposing the resolutions to be moved at the general meeting of shareholders of Tellus Resources Ltd ACN 144 733 595 (**Company**) held pursuant to the Requisition.

2. Resolutions 1, 2, 3, 4 and 5

2.1 These Resolutions relate to the appointment of 3 new independent directors to the Board of the Company and the removal of one director and any directors appointed from the date of the Requisition until the commencement of the general meeting held pursuant to the Requisition.

2.2 While the Requisitioning Shareholders appreciate the efforts of the Board to date, given the Company's current funding position and recent performance, the Requisitioning Shareholders believe it is time for the appointment of new independent directors with the necessary skills and expertise to guide the Company through the next critical steps in its development.

2.3 Immediately following the proposed appointments, the Requisitioning Shareholders request that the Board undertakes a strategic review of the Company and implements such changes it deems necessary to optimise shareholder value in the future.

2.4 The Requisitioning Shareholders note the following in relation to the 3 independent directors proposed to be appointed to the Board:

2.4.1 Each of the directors is independent of each other and the Requisitioning Shareholders; and

2.4.2 The proposed 3 independent directors bring a range of valuable and complementary skills which will strengthen the Board's capabilities. These are:

2.4.3 David Nolan — a practicing corporate lawyer and experienced company director with a depth of corporate governance expertise and experience advising energy and resources companies;

2.4.4 Stephen Brent — an experienced corporate finance executive within the oil and gas sector; and

2.4.5 Heath Roberts — an experienced company director with extensive experience in management and operations of mining companies, including company secretarial.

2.5 Short form resumes of the 3 proposed independent directors are **attached** to this Statement.

2.6 The Requisition is also notice of the Requisitioning Shareholders' intention to move resolutions removing directors of the Company as required by section 203(2) of the *Corporations Act 2001* (Cth)

Resumes of the 3 proposed independent directors

Mr David Nolan

Mr Nolan is a corporate lawyer with over 17 years experience advising on corporate acquisitions, capital raisings and financing for mining companies. Mr Nolan is a partner in the Sydney corporate advisory practice of Kemp Strang and was previously a partner of Mills Oakley Lawyers and a senior adviser at the London Stock Exchange. Mr Nolan's expertise includes IPOs and capital raisings, venture capital and private equity, mergers and acquisitions, restructurings and takeovers, corporate finance, commercial

agreements, and regulatory and corporate governance advice. Mr Nolan has valuable relationships in the advisory and regulatory community and brings a depth of corporate governance expertise.

Mr Nolan is currently a Non-Executive Director of Winmar Resources Limited (ASX:WFE), Chairman of Scott Creek Coal Limited and a Non-Executive Director of the Ian Thorpe Foundation For Youth. Mr Nolan was previously Chairman of Hastings Rare Metals Limited (ASX:HAS) and a Non-Executive Director of Apollo Minerals Limited (ASX:AON). Mr Nolan holds a Bachelor of Laws (Hons) and Bachelor of Arts from Bond University, Queensland.

Mr Stephen Brent

Mr Brent has held a number of senior corporate finance roles with an oil and gas sector focus. Mr Brent's expertise includes the small-cap resources sector, oil and gas sector transactions, equity capital raisings, strategic advisory work, mergers and acquisitions, finance, valuation, structuring, market/investor needs, and regulatory environment.

Mr Brent is currently a Director of Corporate Finance at Helmsec Global Capital. Mr Brent was previously an Executive Director of Wilson HTM and the Head of Australian Oil and Gas in the investment banking department of the Macquarie Group. Mr Brent holds a Bachelor of Laws (Hons) and a Bachelor of Commerce (Hons) from the University of Melbourne.

Mr Heath Roberts

Mr Roberts is a commercial solicitor with over 18 years in exploration/mining company management and operations. Mr Robert's expertise includes listed companies, exploration and mining asset due diligence and acquisitions, project permitting and stakeholder negotiations, fund raisings and compliance.

Mr Roberts was previously Company Secretary and an Executive Director of WPG Resources Ltd (ASX: WPG). Mr Roberts was also a founding Director of WCP Resources Ltd (ASX:WCP), Company Secretary of Michelago Resources Ltd (ASX: MIC) and has held senior roles with Intec Ltd (ASX: INL), Gloucester Coal Ltd (GCL), Capital Mining Ltd (ASX:CMY), and Geopacific Resources Ltd (ASX:GPR) . Further, Mr Roberts was Company Secretary of The Sydney Kings Basketball Team. Mr Roberts holds a Diploma of Law from the Solicitors Admission Board.

GLOSSARY OF TERMS

In this Explanatory Statement the following expressions have the following meanings:

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Securities Exchange operated by ASX Ltd.

Board means the board of directors of the Company.

Company means Tellus Resources Ltd (ACN 144 733 595).

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

General Meeting or **Meeting** means the general meeting of shareholders of the Company, convened by this Notice.

Listing Rules means the listing rules of the ASX.

Notice or **Notice of Meeting** means the notice of general meeting which accompanies this Explanatory Statement.

Resolution means a resolution referred to in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11:00am (ACDT) Sunday 5 October 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Tellus Resources Ltd hereby appoint

☐

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Tellus Resources Ltd to be held at the office of Johnson Winter Slattery Lawyers, Level 9, 211 Victoria Square, Adelaide SA 5000 on Tuesday, 7 October 2014 at 11:00am (ACDT) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

IMPORTANT NOTE:

All Resolutions have been proposed by Paragon Group Holdings Limited, Rich Peak Enterprises Limited, Asia Pacific Mining Pte Ltd and Ben Cameron Salmon (Requisitioning Shareholders) under section 249D of the *Corporations Act 2001* (Cth). The Resolutions have **NOT** been endorsed by and are **NOT** supported by the Directors. The Directors have set out their recommendations on the Resolutions in the Explanatory Statement outlined in the Notice of Meeting.

ORDINARY BUSINESS

	For	Against	Abstain
1 Election of Mr David Nolan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Stephen Brent as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Heath Roberts as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Removal of Mr Neil Young as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Removal of Director/s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies AGAINST each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /



TLU

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Computershare +