

Explaurum Operations Pty Ltd

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19 June 2020

Mark Dacombe
Temporary Chief Executive Officer
Shire of Merredin
PO Box 42
Merredin WA 6415

Dear Mark,

Road Usage Agreement

As you are aware Explaurum Operations Pty Ltd (wholly owned subsidiary of ASX listed Ramelius Resources Ltd) (**Ramelius**) are looking to start up the Tampia Gold Project (**Tampia**) in the near future.

The mine will be located 12km south-east of Narembeen and 100km south of the Edna May gold mine, in the Wheatbelt region of Western Australia. We are intending to haul the Tampia ore to the Edna May mill, which is approximately 140km haulage distance from the Tampia mine site. Executives of Ramelius have met with the previous Merredin Shire executive and management on several occasions and have presented the Tampia Gold Project at a Council meeting on 21 January 2020.

The use of the Merredin Shire's section of the haul route and a road upgrade and usage agreement have been discussed in some detail at these meetings.

We have selected a 100t triple road train system and identified a haulage route to transport the ore to Edna May for processing. This will be a Performance Based System (PBS) haulage system using triple road trains 42m in length. The planned operation is to haul 750,000t of ore annually, which equates to approximately 20 round trips per day. Trucking will operate 365 days per annum, 24 hours per day, on 2 x 12 hr shift rotation basis. Start times will be staggered to maintain spacing between road trains. These road trains are highly regulated, and the loading systems are calibrated to prevent over loading. Strict compliance with all regulations will be enforced. The PBS vehicles are not permitted to deviate from the agreed route. The use of PBS triple road trains will require approval by Main Roads WA (MRWA) Heavy Vehicle Operations, who will in turn require the local Shires to support the application. Operation is governed by MRWA Heavy Vehicle Operations in Perth.

Four intersections in the Narembeen and Merredin Shires require upgrading and the intersection at Merredin - Narembeen Road and Great Eastern Highway will require a slip lane upgrade. Upgrade costs will be incurred by the Explaurum Operations Pty Ltd. Road Upgrade and Usage agreements will be entered into between Tampia and each of the three shires, Narembeen, Merredin, and Westonia. A Heavy haulage Toll agreement will be entered into with MRWA for haulage of +300,000tpa on Great Eastern Highway.

This letter is intended to initiate more detailed discussions with the Merredin Shire regarding the road usage agreement mentioned above.

Explaurum Operations Pty Ltd have recently received approval from the Shire of Narembeen regarding the Traffic Route Proposal put to that Shire and we would like to suggest a similar format for the agreement with the Merredin Shire.

We would suggest that the following be considered in a road usage agreement, with these items largely being taken from current agreements with Yilgarn, Westonia and Narembeen Shires:

- 1) That prior to commencing any road works subject to this agreement, the Shire's Chief Executive Officer in conjunction with the Works Manager approve the design drawings and construction documentation related to the road and intersection upgrades.
- 2) That appropriate RAV ratings and associated conditions, required by MRWA Heavy Vehicle Services (HVS), be adhered to;
- 3) That Explaurum Operations Pty Ltd and their haulage contractor comply with the Western Australian Road Traffic Act and its Regulations;
- 4) That the road train haulage task is approved on the basis of operating 24 hours 7 days a week;
- 5) That the Shire Works Manager receive monthly Ore Haulage Operations Reports to include the date, shift, truck identification, tonnes per load and total tonnes carted for the month;
- 6) That a specific Operational Safety Management Plan (OSMP) for the heavy haulage task be prepared by Explaurum Operations Pty Ltd and reviewed by the Shire prior to commencing any haulage operations. The OSMP must include but not limited to the following:
 - All plant and equipment to be used on public roads shall meet all necessary statutory requirements and have registration, licences or certification with the drivers/operators at all times.
 - All road maintenance plant and equipment shall be fitted with a rotating flashing lamp, reversing beeper and fire extinguisher.
 - All drivers shall be the holder of a current Western Australian driver's licence appropriate to the vehicle being driven.
 - Incident and Emergency Response Plan.
 - Hazard Identification, Risk Assessment and Controls.
 - Specific Inductions.
 - Consultation Communication and Reporting.
 - Audit Plan of the OSMP to include attendance by Shire Representative as required.
- 7) All drivers of haulage vehicles to comply with any reasonable verbal or written directives, if any, issued by the Shire's Chief Executive Officer or Works Manager;
- 8) Re-instatement of any road damage (in addition to normal road maintenance wear and tear covered by the payment of the WALGA capital and maintenance contribution) directly related to the movement of Explaurum Operations Pty Ltd.'s haulage contractor's road trains to be the responsibility and costs borne by Explaurum Operations Pty Ltd;
- 9) That a financial contribution maintenance costs be applied to Explaurum Operations Pty Ltd in accordance with WALGA and ARRB publication: User Guide Estimating the Incremental Cost Impact on Sealed Local Roads.

Calculation of the Heavy Vehicle maintenance cost contribution

Total project tonnage – 2,467,487 tonnes

Planned Annual Tonnage – 750,000 tonnes

Distance – 36.48km (Merredin Shire haul route section only)

Duration 3.3 years

Annual Cost = \$295,700

Simplified to \$0.0108 / t / km invoiced and paid monthly.

- 10) Explaurum Operations Pty Ltd agree to indemnify the Shire from and against, and must pay the Shire on demand as a debt, the amount of any direct claim, damage, cost, expense, loss or liability (excluding indirect or consequential loss or damage) which the Shire may suffer with or in relation to the operation of road trains and road maintenance equipment by Explaurum Operations Pty Ltd under this letter;
- 11) Explaurum Operations Pty Ltd.'s liability to indemnify the Shire as set out above will be reduced proportionately to the extent that an act or omission by a third party or the Shire or a breach of the Shire's statutory obligations has contributed directly to the loss, damage, expense, injury, disease, illness, death or other liability; and
- 12) That any procedural or material non-compliance with any of the above conditions may result in any of the approvals being withdrawn provided that the Shire must not withdraw approval pursuant to this clause unless it has first provided Explaurum Operations Pty Ltd a reasonable opportunity to remedy any alleged non - compliance and such breach remains unremedied or, where remediation is not applicable, unaddressed by Explaurum Operations Pty Ltd, at the end of the period specified in the notice from the Shire.

If the above conditions are suitable, we are able to provide a draft agreement for the Shire's consideration.

Yours sincerely

Hugh Trivett

Mine Manager – Tampia Gold Project

Explaurum Operations Pty Ltd