

13.4 Explaurum Operations Pty Ltd (Ramelius Resources) – Traffic Route Proposal

A Prnich left the Chambers at 4.37pm and did not return

Engineering Services



Responsible Officer:	Calvin Shotter, EMES
Author:	Calvin Shotter, EMES
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 13.4A – Explaurum Traffic Route Proposal

Purpose of Report

Executive Decision

Legislative Requirement

Background

Council approval is required for the “Traffic Route Proposal” for the use of the Merredin-Naremben Road to haul ore from Tampia Hill Operations from the Shire’s southern boundary to Great Eastern Highway. Approval with a number of conditions, as listed below, is proposed.

Note the Tampia Hill Mine will be operated by Explaurum Operations Pty Ltd which is a wholly owned subsidiary of ASX listed Ramelius Resources.

Comment

The "Tampia Gold Project" mine is located 12km south-east of Naremben and 100km south of the Edna May gold mine, in the Wheatbelt region. Explaurum is 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 met with the previous Executive Manager Engineering Services and management on several occasions, and presented the Tampia Gold Project at a Council briefing 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.

Explaurum Operations Pty Ltd has 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) using triple road trains 42m in length.

Explaurum advise 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 year, 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 including the intersection at Merredin-Narembeen Road and Great Eastern Highway, and Merredin-Narembeen Road and Bulls Head Road, in the Shire of Merredin. Upgrade costs of these intersections will be met 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.

Explaurum Operations Pty has submitted a traffic route proposal similar in format to that entered into with the Shire of Narembeen. The proposed agreement has been discussed with the Shire of Narembeen officers to ensure consistency of approach.

The draft agreement provides:

1. That prior to commencing any road works subject to this agreement, the Shire's Chief Executive Officer in conjunction with the Executive Manager Engineering Services approve the design drawings and construction documentation related to the road and intersection upgrades as follows:
 - a) Intersection of Bulls Head Road and Merredin-Narembeen Road; and
 - b) Intersection of Merredin-Narembeen Road and Great Eastern Highway.
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 is approved on the basis of operating 24 hour 7 day a week basis;

5. That the Shire of Merredin Executive Manager Engineering Services receive on a weekly basis a specific Ore Haulage Operations Report to include, but not be limited to:
 - a) The date;
 - b) Truck movements per day;
 - c) Total quantity of ore carted;
 - d) Vehicle identification;
 - e) Trip start and finish times; and
 - f) Driver details.
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 of Merredin prior to commencing any haulage operations. The OSMP must include but not be 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 of Merredin Representative as required.
7. All drivers of haulage vehicles to comply with any reasonable verbal or written directives, if any, issued by the Shire of Merredin's Chief Executive Officer or Executive Manager Engineering Services;
8. Re-instatement of any road damage (in addition to normal road maintenance) directly related to the movement of Explaurum Operations Pty Ltd haulage contractor's road trains, or any other operational vehicles, to be the responsibility of, and costs borne by, Explaurum Operations Pty Ltd;
9. That a routine road maintenance program and associated procedures satisfying the requirements of the Shire of Merredin be developed with the Executive Manager Engineering Services prior to road haulage commencing;
10. That a purpose traffic management plan for any roadworks, be prepared by an appropriately accredited person in accordance with MRWA requirements and submitted to the Shire of Merredin prior to any roadworks commencing;
11. That a financial contribution for future maintenance costs be paid to the Shire of Merredin by Explaurum Operations Pty Ltd in accordance with WALGA and ARRB publication: ¹User Guide Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks May 2015 Version No 1, on

¹ [Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks](#)

the Merredin- Narembeen Road (SLK 0.00 – SLK 36.48) calculated as follows:

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

12. That 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 (excluding indirect or consequential loss or damage) or liability 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;
13. 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 of Merredin or a breach of the Shire of Merredin's statutory obligations has contributed directly to the loss, damage, expense, injury, disease, illness, death or other liability; and
14. 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 of Merredin 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 of Merredin.

Policy Implications

The proposed agreement is consistent with Policy 7.12 Heavy Vehicle Cost Recovery Policy for sealed Roads.

Statutory Implications

Local Government Act 1995

Strategic Implications

➤ **Strategic Community Plan**

Zone: Zone 6 – Transport and networks

Zone Statement: Merredin provides transport networks that connect it locally, nationally and internationally.

Key Priority 6.1 – Developing and maintaining a road hierarchy and providing an appropriate level of service for the road network.

➤ **Corporate Business Plan**

Key Action: 6.1.2 – Advocate for improved road infrastructure networks across the region.
Directorate: Engineering Services
Timeline: 2020/2021

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Adoption of this item has been evaluated against the Shire of Merredin's Risk Management Policy 3.24 - Risk Matrix. The perceived level of risk is low risk and can be managed by the routine procedures.

Financial Implications

The future impact on the Shire road network is substantial and the proposed agreement provides for the required upgrades to the Shire road network and puts in place a financial contribution for future maintenance costs to be applied to Ramelius Resources Ltd in accordance with WALGA and ARRB guidelines.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr McKenzie

Seconded: Cr Patroni

82652 That Council:

1. Approve the use of the Merredin-Naremben Road being Shire of Merredin's controlled road, to haul ore from Tampia Hill Operations in the Shire of Naremben through the Shire's southern boundary located at SLK 36.48 on the Merredin Naremben Rd, to the Great Eastern Highway subject to the following conditions:-
 - a) That prior to commencing any road works subject to this agreement, the Shire's Chief Executive Officer in conjunction with the Executive Manager Engineering Services approve the

design drawings and construction documentation related to the road and intersection upgrades listed below:

- i) Intersection of Bulls Head Road and Merredin-Narembeen Road; and**
 - ii) Intersection of Merredin-Narembeen Road and Great Eastern Highway.**
- b) That appropriate RAV ratings and associated conditions, as applied on the above roads by MRWA Heavy Vehicle Services (HVS) be adhered to.**
 - c) Explaurum Operations Pty Ltd and their haulage contractor to comply with the Western Australian Road Traffic Act and its Regulations.**
 - d) That the road train haulage task is approved on the basis of operating on a 24-hour 7 day a week basis.**
 - e) That the Shire of Merredin Executive Manager Engineering Services receive on a weekly basis a specific Ore Haulage Operations Report to include, but not be limited to:**
 - i) the date;**
 - ii) Truck movements per day;**
 - iii) Total quantity of ore carted;**
 - iv) Vehicle identification;**
 - v) Trip start and finish times; and**
 - vi) Driver details.**
 - f) 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 of Merredin 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 used.**
 - 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 of Merredin Representative as required.**

- g) All drivers of haulage vehicles to comply with any reasonable verbal or written directives, if any, issued by the Shire of Merredin's Chief Executive Officer or Executive Manager Engineering Services.**
- h) Re-instatement of any road damage (in addition to normal road maintenance) directly related to the movement of Explaurum Operations Pty Ltd haulage contractor's road trains, or any other operational vehicles, to be the responsibility of, and costs borne by, Explaurum Operations Pty Ltd.**
- i) That a routine road maintenance program and associated procedures satisfying the requirements of the Shire of Merredin be developed with the Executive Manager Engineering Services prior to road haulage commencing.**
- j) That a purpose traffic management plan for any roadworks, be prepared by an appropriately accredited person in accordance with MRWA requirements and submitted to the Shire of Merredin prior to any roadworks commencing.**
- k) That a financial contribution for future maintenance costs be paid to the Shire of Merredin by Explaurum Operations Pty Ltd in accordance with WALGA and ARRB publication: User Guide Estimating the Incremental Cost Impact on Sealed Local Roads from Additional Freight Tasks May 2015 Version No 1, on the Merredin- Naremben Road (SLK 0.00 – SLK 36.48) calculated as follows:**

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

- l) That Explaurum Operations Pty Ltd agree to indemnify the Shire of Merredin from and against, and must pay the Shire of Merredin on demand as a debt, the amount of any direct claim, damage, cost, expense, loss (excluding indirect or consequential) or liability which the Shire of Merredin may suffer with or in relation to the operation of road trains and road maintenance equipment by Explaurum Operations Pty Ltd under this letter;**
- m) Explaurum Operations Pty Ltd.'s liability to indemnify the Shire of Merredin as set out above will be reduced proportionately to the extent that an act or omission by a third party or the Shire of Merredin or a breach of the Shire of Merredin's statutory**

- obligations has contributed directly to the loss, damage, expense, injury, disease, illness, death or other liability; and
- n) 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 of Merredin 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 of Merredin.

2. Authorise the Chief Executive Officer and the Shire President to execute the agreement under seal.

CARRIED 9/o

There was brief discussion on the establishment of a Reserve Fund Account to hold funds paid by Explaurum Operations Pty Limited for future maintenance and construction costs on the Merredin- Naremben Road. The TCEO recommended appropriate wording incorporated into the following resolution.

Moved: Cr Flockart

Seconded: Cr Boehme

82653 That a reserve fund be created to accommodate any Funds that are in excess on expenditure in relation to the income received from Explaurum Operations Pty Ltd in regards to maintenance and construction costs on the Merredin-Naremben Road.

Reserve Name “Roads Construction Merredin-Naremben Road”

Purpose “Future maintenance and construction of the Merredin-Naremben Road.”

CARRIED 9/o

Explaurum Operations Pty Ltd

ACN: 84 153 608 596

Ramelius Resources Limited
PO Box 6070
East Perth WA 6892
Level 1, 130 Royal Street, East Perth WA 6004
Tel: (08) 9202 1127



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

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- 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