

ADDENDUM TO ITEM 9.1.2

9.1 Officers Report – Chief Executive Officer

9.1.2 Parkers Range Road – Proposed Deviation

File Reference	3.2.1.29
Disclosure of Interest	None
Voting Requirements	Simple Majority
Attachments	1. Mineral Resources Ltd 2. Datum Peg Mining Title Solutions

Purpose of Report

To inform Council of the actions taken by staff in relation to the proposed deviation of Parkers Range Road to accommodate Yilgarn Iron Pty Ltd's (YIPL) (Mineral Resources Ltd) Parkers Range Iron Ore Project and to consider submissions received in relation to the proposed deviation.

Background

The proposed deviation around the above mine site has been endorsed by Council on two previous occasions, once in 2010 when Council was dealing with Cazaly Resources regarding the potential for the mine to commence operations, and secondly in 2019 when YIPL/MRL took possession of the Tenement and re-commenced negotiations with Council regarding ore haulage routes etc., associated with the mining operations.

The purpose of the Parkers Range Road deviation was to by-pass the mining operations which will dissect the existing Parkers Range Road.

In August 2020 the CEO informed affected Tenement Holders, that the proposed deviation would traverse their tenement holdings, and that YIPL/MRL would be commencing works on the proposed deviation. One of the Tenement Holders immediately contacted the CEO to advise that they objected to the proposal and that there had been a lack of consultation from both the Shire of Yilgarn and YIPL/MRL in regards to same.

Based on the above objection, both YIPL/MRL and the Shire of Yilgarn sought legal advice, with Council's lawyers informing the CEO that the Shire of Yilgarn had failed to provide adequate notice to the affected Tenement Holders in accordance with Section 3.51 of the *Local Government Act 1995*.

Based on the above legal advice, the CEO informed YIPL/MRL to halt works on the deviation outside of their own Tenement area and re-issued the notice to the Tenement Holders advising that a 21-day submission period would be afforded to them in accordance with the *Act* with submissions closing with the Shire of Yilgarn on Monday, 12 October 2020.

A proposed plan of the deviation was supplied to the Tenement Holders and the matter was also advertised by way of public notice in the *Kalgoorlie Miner Newspaper*, local *Crosswords* Newsletter and Council's webpage and Notice Boards.

Submissions Received

At the close of the submission period on Monday, 12 October at 4.00pm, two (2) submissions were received in respect to the proposed deviation which are summarised below (the full content of the submissions are provided as an attachment to this Report):-

Mineral Resources Limited (MRL)

We refer to the notice from the Shire of Yilgarn (**Shire**) dated 21 September 2020 regarding works required to construct a deviation of the Parker Range Road to the north of the existing road alignment to accommodate Mineral Resources Limited's (**MRL**) Parker Range Iron Ore Project (**Project**).

This submission is in support of the proposed road deviation.

Background

The Project was acquired by MRL from Cazaly Iron Pty Ltd (**Cazaly**) in August 2019. MRL is developing the Project on the following mining tenements, comprising 2297 ha within the Southern Cross greenstone belt in the Shire of Yilgarn:

- M77/741
- M77/742
- M77/764
- P77/4162
- E77/2601
- L77/220

The Yilgarn iron ore province has a history of large-scale iron ore production, with the first iron ore exported from Western Australia coming from the Koolyanobbing deposit in the Yilgarn during the mid-1960's. The Project will be developed as a satellite operation to MRL's Koolyanobbing Iron Ore Project, currently the only iron ore operation in the Yilgarn region (see map at Annexure A). MRL is proposing to increase its Koolyanobbing export volume in FY 2021 from 12 to 12.7 MT.

The focus of the Project is a 4 km strike length identified on Mt Caudan. The Mt Caudan deposit contains an estimated 15 million tonnes of iron ore with an expected mine life of 4-6 years at a production rate of 3-5MT per annum. Mining is scheduled to commence in 2021.

Parker Range Road deviation

The existing Parker Range Road crosses through the proposed area of disturbance for the Project (see map at Annexure B). The Project is significantly dependent on deviating the public road around this development area.

In 2010, Cazaly received consent from the Shire (attached at Annexure C) to construct a dedicated mine bypass road diverting Parker Range Road to the north of the Project (**Deviation Road**) on the route shown in green on the map at Annexure B. The route for the diversion provides a direct path around the proposed minesite area and ensures minimum impact on environmental factors including geographical features and surface water flows.

The Project, including the Deviation Road, was formally assessed by the Environmental Protection Authority (**EPA**) as a Public Environmental Review due to its location in an area comprising a high level of biological diversity. The EPA approved the proposal for the Project and the Deviation Road in 2012 under Ministerial Statement 892. Subsequently, the EPA issued Ministerial Statement 1060 to extend the time limit of the authorisation. The EPA approval was given subject to conditions that ensure no adverse impact on key environmental factors.

Given the significant assessments and approvals already secured for the Deviation Road, and with confidence that the route selected by Cazaly was logical and fit for purpose, MRL has continued planning for the Parker Range Road diversion on this route.

Stakeholder engagement

MRL has engaged extensively with stakeholders on the Project, including Local and State Government bodies, and third parties holding mining tenements in the area of the Project. MRL understands that the Deviation Road does not impact on any current proven resources of a commercial nature in existing mining tenements.

MRL applications for miscellaneous licences L77/315 and L77/316 were lodged on 19 November 2019 for the portion of the Deviation Road outside of existing MRL tenements (refer to Annexure D). An objection to application L77/315 was received from Vernon Wesley Strange (**Mr Strange**) on the basis of his existing tenements E77/2584, P77/4414 and P77/4415. An objection to application L77/316 was received from Aureenne Parker Range Pty Ltd (**Aureenne**) on the basis of their existing tenement M77/762.

MRL understands that the Shire has received verbal notice of concern for the Deviation Road from Mr Strange. In the period after 15 November 2019, MRL has engaged substantively with Mr Strange in relation to any potential impact of MRL's miscellaneous licences on mineralisation the subject of his tenements. After a number of meetings, conversations and attempts to negotiate an access agreement with Mr Strange, MRL has yet to receive a substantive response to the latest draft agreement provided in June 2020.

As far as MRL is aware, there are no high or medium gold or other mineral anomalies on Mr Strange's tenements and affected by the Deviation Road. MRL understands that Xantippe Resources Ltd (**Xantippe**) signed a binding agreement for the acquisition of a number of Mr Strange's mining tenements south east of Southern Cross in late 2019. According to publicly available information, Xantippe is actively exploring for gold at its Southern Cross project, however does not appear to have plans to drill on E77/2584, P77/4414 and P77/4415 in the area of the overlap with the Deviation Road at this time.

The attached map extracted from Xantippe's ASX announcement dated 23 September 2020 (full announcement attached at Annexure E) shows the location of Xantippe's current targets in the area of the Project with the location of the Deviation Road through Mr Strange's tenements marked by MRL.

Aurenne has not flagged any key concerns to MRL on the proposed route to date.

Benefits to the Region & State of the Project

MRL has demonstrated and continues to demonstrate its commitment to providing a long term, high-value iron ore export business in the southern part of Western Australia. This is made possible through MRL's existing operational footprint, industry know-how and innovative approach to mine development.

The Project will bring significant direct employment to the Yilgarn region across the mine and related infrastructure, as well as indirect employment for people whose goods and services support MRL's operations in the Yilgarn and shipping out through Esperance Port. Key benefits for the State of Western Australia and community through development of the Project include:

- Creation of approximately 100 construction jobs and 100 operational jobs, with a preference to employ local community workers.
- Extensive commercial benefits to Shire of Yilgarn and local businesses situated within close proximity to Marvel Loch and Southern Cross.
- Significant State royalties on export sales over the proposed life of mine.
- Investment to enhance Local Government and State infrastructure inclusive of roads, rail and port.
- Community participation and support programs within the Shire of Yilgarn.

Conclusion

As noted above, the Project will bring significant benefits to the State, with a positive contribution to the economy, and meaningful plans to integrate the Project into the local community.

However, if the Parker Range Road is not able to be diverted around the Project area, the consequence to the Project will be a reduced mine life, affecting the economic viability of the Project. Construction of the Deviation Road is critical to the Project's success.

MRL understands that submissions will be considered by Council at its Ordinary meeting to be held on 15 October 2020. We would be happy to attend to provide further details of the Project as required.

Datum Peg Mining Title Solutions on behalf of Mr Vern Strange

Background

Some years ago, Cazaly investigated a proposal to deviate the Parker Range Road (**PRR**). This deviation was notated on relevant mining databases and mapping software so that parties interested in the region were put on notice. This notation was removed from the system some time ago.

Currently there are no similar notations giving notice to interested parties that there may be some encumbrance on the relevant land that will be affected by any deviation of the PRR. Vern Strange is an interested party, as is Xantippe Resources Limited. They are in agreement to explore a number of tenements which are located in the location through which MRL seeks to deviate the PRR.

MRL has applied for a number of mining tenements (for road purposes) in the area, which serves as a notification of sorts. Under the Mining Act, companies with competing tenement rights negotiate access and priority is determined by a "1st in time" principle. In the circumstances surrounding MRL's applications for L77/305, L77/306 and L77/315 (see screen shot below), MRL is a 2nd in time applicant, with the Strange mining tenements holding a 1st priority to rights – which include rights of removal and relocation should the interests of the 2 parties collide in a manner in which they cannot co-exist.

Consultation

MRL and Strange were in consultation in relation to L77/305 (which is applied for over the current PRR). Despite Strange attempting to confer with MRL about L77/306 and L77/315 (because it became obvious there was some plan for 1 or both of these), MRL refused and continually refused to discuss those 2 applications. It is now evident as to why. MRL, understanding that, under the Mining Act processes, it would be held to a 2nd in time priority in relation to its applications, is now attempting to use the Shire and the Government

Departments to approve the road – which puts Strange at a detriment in relation to priority and access to his lands.

Consider:

1. If Strange's tenement is affected by MRL's road, and Strange locates an ore body and requires the road be moved, MRL will be required to move its road at MRL's expense;
2. However, if the road is a public road, and Strange locates an ore body and requires the road be moved, Strange is now put to the expense and burden of petitioning to remove / relocate the public road.

There is a solution, and that is that MRL is required to drill a sterilisation program in the area of its road prior to constructing any deviation. A sterilisation program will either determine that there is no economic resources in the vicinity and therefore no reason to object further to the placement of the road, or; it will identify an economic resources, in which case further investigations need to occur to determine the best place to locate the deviation of the PRR.

It is not Strange's fault that MRL are suddenly rushed into requiring access to this road for its operation. Strange has put 2 solutions to MRL so that MRL is able to resolve itself of the land contentions:

1. Strange has offered to sell the tenements to MRL;
2. Strange has informed MRL that it will require sterilisation drilling of the area of the road placement.

MRL has refused, and continues to refuse, both these solutions and continues to demand that its road placement is as it has applied for – now identified as L77/315.

Consultants engaged by Strange / Xantippe have identified that there are 3 target trends that run north-south through the intended road (see attached map), and has identified that these areas will need to be sterilise drilled so that MRL and Strange can be satisfied that an economic ore body is not being sterilised by placement of the PRR deviation. Comments from the consultants observe:

The Burbidge Group (massive sulphide-hosted gold – concordant sulphide lodes, discordant quartz veins, also lateritic resources/pyrrhotite, pyrite, magnetite, chalcopyrite, tellurides/carbonation) and Twisties Nob Au mineral occurrence, that are located to the NE of these tenements, appear to occur along a SW trending moderately to highly magnetic unit, which displays a boudinage-type pattern and that trends into P77/4415 and P77/4415 (Figure 2). There appears to be some semi-discrete magnetic anomaly highs located in the NE corner of P77/4415 and P77/4414, sitting along/proximal to the Burbidge trend and could represent pods of pyrrhotite/magnetite, or pods of ultramafic. Neither magnetic anomaly appear to have been drill tested.

This tenement package sits on a gravity gradient which represents the contact between more dense greenstone units and surrounding less dense granite. Gravity gradients are great regional target areas as these contracts likely represent strong thermal contrast zones between the hot and hydrous granite against the cool greenstone, forming upwell hydrothermal convection cells for gold mineralisation. These two tenements are in a similar location on the gravity gradient to Great Victoria, although the gradient at Great Victoria appears to be stronger.

It is evident that there is potential for mineralisation in the area of Strange's tenements. There is nothing in the Mining Act that provides a greater priority to MRL's operations than to another, and the industry practice of negotiating access agreements to acknowledge that priority and establish principles in the event the activities of competing parties collide is well established. Strange has invited MRL, on many occasions to commence negotiations in relation to the PRR deviation – but MRL refuse and only seek to discuss the current PRR location. To date, MRL's conduct evidences that it believes its operations ought be given a higher priority than all others. Recently, Strange was informed that construction was commencing on his tenements to the clearing of the PRR deviation. It was only when this was followed up with the Shire CEO, that the Shire became aware that MRL did **not** have the approvals and land holder consents that it had informed the Shire were in place. As a result, MRL's clearing operations were halted at the boundary of Strange's tenements.

In summary:

1. if the Shire supports this operation in its current form, it removes from Strange / Xantippe the priority they hold under the Mining Act and as a result, Strange and Xantippe will potentially be put to extraordinary costs and expenses that they normally would not suffer;
2. MRL has been offered 2 different solutions from Strange / Xantippe to resolve this issue:
 - a. Sterilise drill the area; or
 - b. Purchase the tenements.
3. MRL refuses both these solutions, and now seeks Shire support to circumvent the obligations which would normally be put on MRL under the application / objection processes of the Mining Act.

The Shire is at no detriment by delaying the PRR deviation until appropriate actions are taken as the PRR currently exists and is functional. It is MRL who is in a hurry and is pushing for this to occur to the detriment of all others and to the sole benefit of MRL. It would be travesty, and contrary to public interest, natural justice and procedural fairness, if MRL (just because of their impending timelines / restrictions) was able to bulldoze its way through priority ranking to interests in land. It is in this position because it refused to confer in relation to the deviation route for PRR (L77/315) and insisted that negotiations only focus on L77/305. If the Shire is minded to offer support to MRL in lieu of Strange's rights first being

protected (or in some other way dealt with), then Strange and Xantippe first request that the Shire host a meeting so that Strange / Xantippe can appropriately air ventilate their objections. To avoid any doubt – Strange and Xantippe do **not** oppose the PRR deviation in principle, however; they first want to ensure that their rights are not being overlooked and denigrated.

Staff Comment

Both Submissions provide conflicting information relating to negotiations regarding the Parkers Range Road Deviation.

MRL's submission states the following:-

MRL understands that the Shire has received verbal notice of concern for the Deviation Road from Mr Strange. In the period after 15 November 2019, MRL has engaged substantively with Mr Strange in relation to any potential impact of MRL's miscellaneous licences on mineralisation the subject of his tenements. After a number of meetings, conversations and attempts to negotiate an access agreement with Mr Strange, MRL has yet to receive a substantive response to the latest draft agreement provided in June 2020.

Datum Peg Mining Title Solutions submission states the following:-

*Strange has invited MRL, on many occasions to commence negotiations in relation to the PRR deviation – but MRL refuse and only seek to discuss the current PRR location. To date, MRL's conduct evidences that it believes its operations ought be given a higher priority than all others. Recently, Strange was informed that construction was commencing on his tenements to the clearing of the PRR deviation. It was only when this was followed up with the Shire CEO, that the Shire became aware that MRL did **not** have the approvals and land holder consents that it had informed the Shire were in place. As a result, MRL's clearing operations were halted at the boundary of Strange's tenements*

For Councillors information, the following should be noted:-

- The proposed deviation submitted by MRL is that which was originally proposed by Cazaly Resources in 2010 and which was endorsed by Council of the day. Council further endorsed the deviation in July 2020.
- Mr Strange was granted P77/4414 and P77/4415 in August 2017, with these tenements due to expire in 2021, unless duly renewed by Mr Strange. Mr Strange indicates that there were no notations regarding planned deviations on relevant databases when P77/4414 and P77/4415 were acquired.
- Mr Strange is of the opinion that MRL is seeking the Shire of Yilgarn to circumvent the obligations which would normally be put on MRL under the application / objection processes of the Mining Act.

- MRL advises that it has engaged extensively with stakeholders on the Project, including Local and State Government bodies, and third parties holding mining tenements in the area of the Project. MRL understands that the Deviation Road does not impact on any current proven resources of a commercial nature in existing mining tenements.
- MRL indicates that according to publicly available information, Xantippe is actively exploring for gold at its Southern Cross project, however does not appear to have plans to drill on E77/2584, P77/4414 and P77/4415 in the area of the overlap with the Deviation Road at this time.
- Datum Peg Mining Solutions advises that Consultants engaged by Strange / Xantippe have identified that there are 3 target trends that run north-south through the intended road (see attached map), and has identified that these areas will need to be sterilised drilled so that MRL and Strange can be satisfied that an economic ore body is not being sterilised by placement of the PRR deviation.
- If the Shire is minded to offer support to MRL in lieu of Strange's rights first being protected (or in some other way dealt with), then Strange and Xantippe first request that the Shire host a meeting so that Strange / Xantippe can appropriately air ventilate their objections. To avoid any doubt – Strange and Xantippe do **not** oppose the PRR deviation in principle, however; they first want to ensure that their rights are not being overlooked and denigrated.

Council has always endeavoured to work cooperatively with mining companies on proposed projects. The same has been the case on the Parkers Range Project with both Cazaly and MRL.

It is considered that MRL has not pressured Council in circumventing other processes of the *Mining Act* by taking action under Section 3.51 of the *Local Government Act*, as Council has openly discussed the Parkers Range Project at Ordinary Council meetings between 2009 and 2020. By taking the appropriate action under the *Local Government Act*, Council was merely trying to progress the project for the benefit of all concerned and in consideration that MRL has invested heavily into planning/development of the project to date.

Obviously, Mr Strange sees otherwise and has requested the opportunity for both he and Xantippe to meet with Council in order that they can further air their objections.

As both submissions are conflicting in their information regarding negotiations to date, it would seem appropriate that Council affords an opportunity for both Mr Strange/Xantippe Resources and MRL to further present to Council.

If Council is agreeable to the above suggestion, then it is suggested that a Special Meeting of Council be held and this be convened as soon as possible to avoid further delays.

Statutory Environment

3.51. Affected owners to be notified of certain proposals

- (1) In this section —
person having an interest, in relation to doing anything, means a person who —
 - (a) is the owner of the land in respect of which that thing is done, or any land that is likely to be adversely affected by doing that thing; or
 - (b) is shown on the title to any of the land mentioned in paragraph (a) as holding an interest in any of that land; or
 - (c) is prescribed for the purposes of this section.
- (2) This section applies to —
 - (a) fixing or altering the level of, or the alignment of, a public thoroughfare; or
 - (b) draining water from a public thoroughfare or other public place onto adjoining land.
- (3) Before doing anything to which this section applies, a local government is to —
 - (a) give notice of what is proposed to be done giving details of the proposal and inviting submissions from any person who wishes to make a submission; and
 - (b) allow a reasonable time for submissions to be made and consider any submissions made.
- (4) The notice is to be given —
 - (a) in writing to each person having an interest; and
 - (b) if any land is likely to be adversely affected by the doing of the thing, by local public notice.

Strategic Implications

Shire of Yilgarn Strategic Community Plan 2020-2030 – Economic Objectives – Continue to maintain and upgrade our road network.

Shire of Yilgarn Strategic Community Plan 2020-2030 – Civic Leadership Objectives – Maintain a high level of corporate governance, responsibility and accountability.

Policy Implications

Nil

Financial Implications

Nil

Officer Recommendation

That Council:-

- 1. Acknowledges the submissions received from Mineral Resources Limited and Datum Peg Mining Titles Solutions on behalf of Mr Vern Strange in respect to the proposed Deviation of Parkers Range Road in accordance with Section 3.51 of the Local Government Act 1995;*
- 2. That prior to making a decision on the Parkers Range Road deviation proposal, Council affords the opportunity for Mr Strange/Xantippe Resources Ltd. And Mineral Resources Limited to present at a Special Meeting of Council to be held on Thursday, 22 October 2020 at 4.00pm; and*
- 3. That following the above presentation, Council deliberates further at the Special Meeting to ensure that a decision is made to support or reject either of the submissions, which will in-turn enable either party to potentially re-negotiate their position or take alternative action that they deem appropriate.*

APPENDIX 1

MINERAL RESOURCES LIMITED SUBMISSION

12 October 2020



Mr Peter Clarke
Chief Executive Officer
Shire of Yilgarn
PO Box 86
SOUTHERN CROSS WA 6426

By email: yilgarn@yilgarn.wa.gov.au

Dear Mr Clarke,

SUBMISSION TO THE SHIRE OF YILGARN FOR PARKER RANGE ROAD DEVIATION

We refer to the notice from the Shire of Yilgarn (**Shire**) dated 21 September 2020 regarding works required to construct a deviation of the Parker Range Road to the north of the existing road alignment to accommodate Mineral Resources Limited's (**MRL**) Parker Range Iron Ore Project (**Project**).

This submission is in support of the proposed road deviation.

Background

The Project was acquired by MRL from Cazaly Iron Pty Ltd (**Cazaly**) in August 2019. MRL is developing the Project on the following mining tenements, comprising 2297 ha within the Southern Cross greenstone belt in the Shire of Yilgarn:

- M77/741
- M77/742
- M77/764
- P77/4162
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The Yilgarn iron ore province has a history of large-scale iron ore production, with the first iron ore exported from Western Australia coming from the Koolyanobbing deposit in the Yilgarn during the mid-1960's. The Project will be developed as a satellite operation to MRL's Koolyanobbing Iron Ore Project, currently the only iron ore operation in the Yilgarn region (see map at Annexure A). MRL is proposing to increase its Koolyanobbing export volume in FY 2021 from 12 to 12.7 MT.

The focus of the Project is a 4 km strike length identified on Mt Caudan. The Mt Caudan deposit contains an estimated 15 million tonnes of iron ore with an expected mine life of 4-6 years at a production rate of 3-5MT per annum. Mining is scheduled to commence in 2021.

Parker Range Road deviation

The existing Parker Range Road crosses through the proposed area of disturbance for the Project (see map at Annexure B). The Project is significantly dependent on deviating the public road around this development area.

In 2010, Cazaly received consent from the Shire (attached at Annexure C) to construct a dedicated mine bypass road diverting Parker Range Road to the north of the Project (**Deviation Road**) on the route shown in green on the map at Annexure B. The route for the diversion provides a direct path around the proposed minesite area and ensures minimum impact on environmental factors including geographical features and surface water flows.

The Project, including the Deviation Road, was formally assessed by the Environmental Protection Authority (**EPA**) as a Public Environmental Review due to its location in an area comprising a high level of biological diversity. The EPA approved the proposal for the Project and the Deviation Road in 2012 under Ministerial Statement 892. Subsequently, the EPA issued Ministerial Statement 1060 to extend the time limit of the authorisation. The EPA approval was given subject to conditions that ensure no adverse impact on key environmental factors.

Given the significant assessments and approvals already secured for the Deviation Road, and with confidence that the route selected by Cazaly was logical and fit for purpose, MRL has continued planning for the Parker Range Road diversion on this route.

Stakeholder engagement

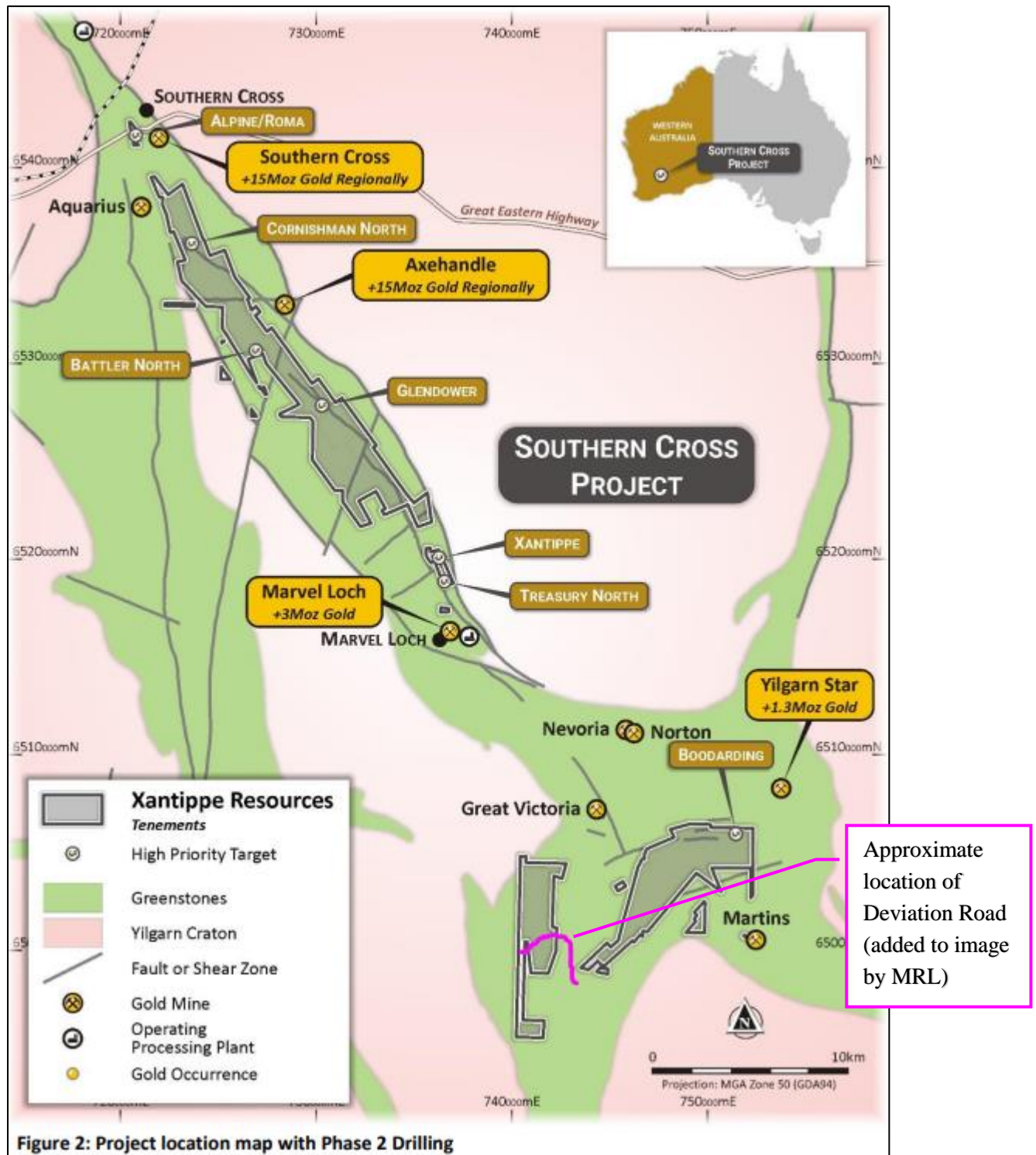
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Benefits to the Region & State of the Project

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- Significant State royalties on export sales over the proposed life of mine.
- Investment to enhance Local Government and State infrastructure inclusive of roads, rail and port.
- Community participation and support programs within the Shire of Yilgarn.

Conclusion

As noted above, the Project will bring significant benefits to the State, with a positive contribution to the economy, and meaningful plans to integrate the Project into the local community.

However, if the Parker Range Road is not able to be diverted around the Project area, the consequence to the Project will be a reduced mine life, affecting the economic viability of the Project. Construction of the Deviation Road is critical to the Project's success.

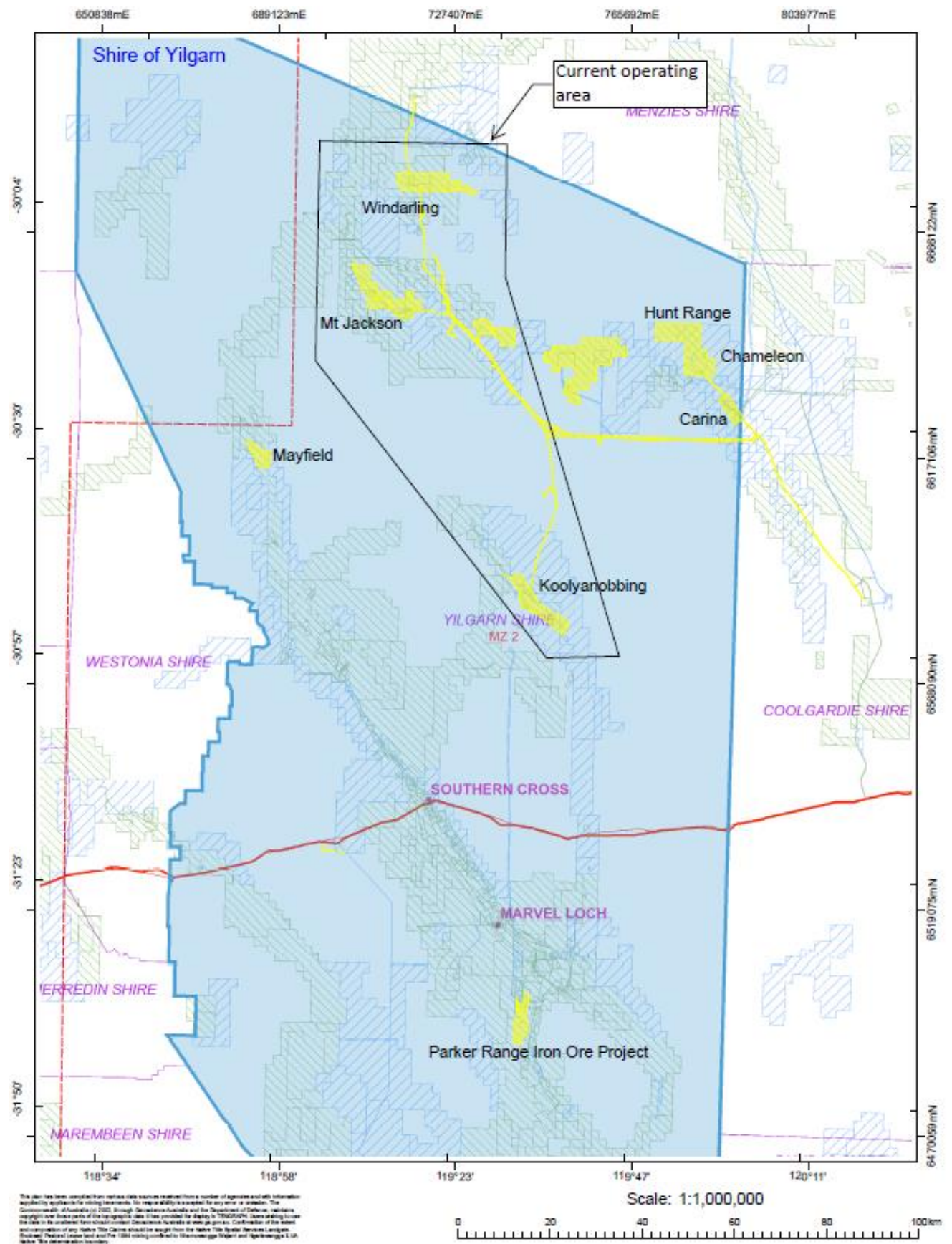
MRL understands that submissions will be considered by Council at its Ordinary meeting to be held on 15 October 2020. We would be happy to attend to provide further details of the Project as required.

Yours sincerely,

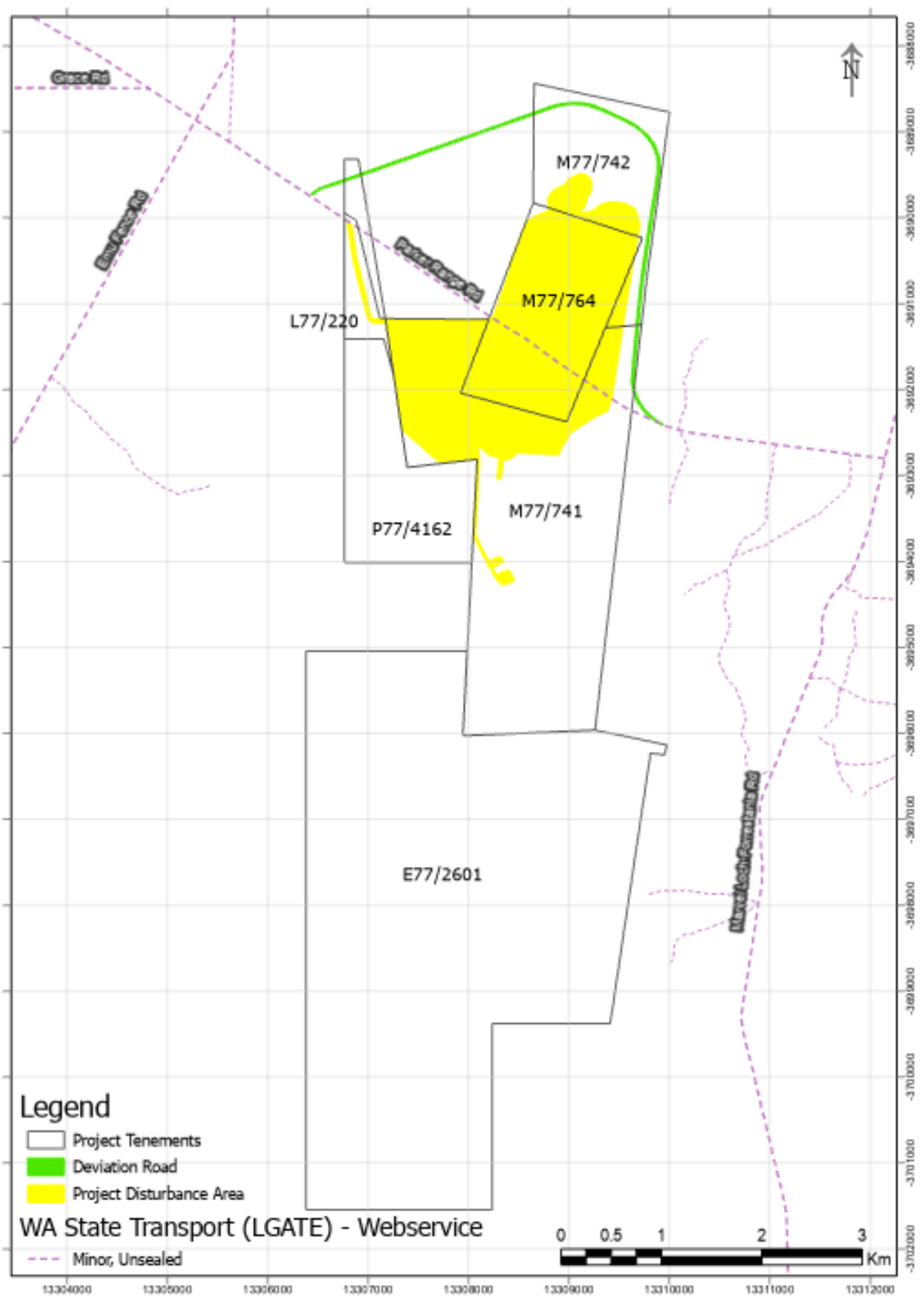


Joshua Thurlow
General Manager – Project Services
Mineral Resources Limited

Annexure A – MRL Tenements in the Shire of Yilgarn



Annexure B – Project and Deviation Road



Annexure C – Shire Minutes – Ordinary Meeting of Council – 18 June 2010

Page 37
SHIRE OF YILGARN
MINUTES - ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

DECLARATIONS OF INTEREST

Mr Bosenberg declared an Interest in Item 9.2 and 9.3 indicating that he is a shareholder in Cazaly Resources.

Submission to:	Ordinary Meeting of Council June 18th 2010
Agenda Reference:	Works 9.2
Subject::	Cazaly Resources - Road Re-Alignments - Parker Range Road and Liddell Road
Name of Applicant:	Cazaly Resources
File reference:	10336
Author:	Robert Bosenberg - Manager of Works
Disclosure of Interest:	Yes
Date of Report:	11th June 2010

Background

Correspondence has been received from Cazaly Resources seeking Council's permission to re-align and dedicate two of Council's road reserves. The road reserves Cazaly Resources are seeking to re-align and dedicate are Liddell Road and Parker Range Road. As stated by Cazaly Resources the road re-alignment required on Liddell Road is to accommodate the rail loop and iron ore stockpile area required at Moorine Rock rail-siding and Parker Range Road re-alignment is to accommodate the extensive mine site area required for the open cut iron ore mining operations.

Comment

Liddell Road Reserve

The rail loop and iron ore stockpile area required at Moorine Rock rail-siding is expected to encompass a portion of the northern end of Liddell Road reserve as marked in red on Appendix 1(it should be noted by councilors that the portion of Liddell Road Cazaly Resources is seeking to by-pass from the Great Eastern Highway through to the public utility access road is not a dedicated road reserve)

Cazaly Resources is seeking Councils permission to establish a new dedicated by-pass road diverting Liddell Road to the east of the proposed rail loop and iron ore stockpile area as marked in yellow on Appendix 2.

The proposed Liddell Road re-aligned by-pass road will consist of the following:

- 1) Existing Great Eastern Highway and Liddell Road intersection will remain as is
- 2) Liddell Road by-pass road is re-aligned to the east of the proposed rail loop and iron ore stockpile area.
- 3) A cross road intersection is established where the haul road intersects Liddell Road
- 4) A dedicated access road will be established to rail passenger terminal at Moorine Rock Rail Station.

Page 38
SHIRE OF YILGARN
MINUTES - ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

As stated by Cazaly Resources the proposed dedicated by-pass road for Liddell Road be funded by Cazaly Resources and designed and constructed in conjunction with the Shire of Yilgarn to required shire standards.

Parker Range Road

The proposed Mount Caudan Iron Ore Project is expected to encompass a portion of the Parker Range Road as outlined in black on Appendix 3. Cazaly Resource is seeking Councils permission to establish a new dedicated by-pass road diverting the Parker Range Road to the north of the proposed Mount Caudan Iron Ore mining project as marked in yellow on Appendix 3.

The proposed by-pass road will be approximately 6.5 kilometres in length. As stated by Cazaly Resources the by-pass road for Parker Range Road at Mount Caudan mining operations will be funded by Cazaly Resources and designed and constructed in conjunction with the Shire of Yilgarn to required shire standards.

In the past Council has resolved to grant permission to mining companies to establish dedicated by-pass roads diverting traffic around mining operations i.e. Bullfinch Evanston Road (Sons of Gwalia Copper Head Tailings Dam) and Marvel Loch Forrestania Road (mining company open cut operation)

Financial Implications:

All cost associated with the proposed Liddell Road by-pass and Parker Range by-pass roads be borne by the applicant Cazaly Resources

RECOMMENDATION

That Councils approves the request by Cazaly Resources to establish a new dedicated by-pass road diverting Liddell Road to the east of the proposed rail loop and iron ore stockpile area as marked in yellow on Appendix 2 on the following conditions:

- 1) All costs associated with the construction and surveying of the dedicated Liddell Road by-pass is to be borne by the applicant (Cazaly Resources).
- 2) The new dedicated Liddell Road by-pass road is constructed to a seven metre width double coat bitumen seal standard from the utility access road to the Great Eastern Highway intersection at the cost of the applicant (Cazaly Resources).
- 3) A gravel surfaced dedicated access road is to be established by the applicant (Cazaly Resources) to the rail passenger terminal at Moorine Rock Rail Station for members of public to utilise
- 4) The new dedicated Liddell Road by-pass road is to have right of way over any intersecting road

Page 39
SHIRE OF YILGARN
MINUTES - ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

- 5) Haul roads intersecting councils roads are to be in accordance to in Councils Policy No 6.5 Traffic Intersection Management Plan - Private Haul Roads Intersecting with Roads Under Council Control
- 6) All relevant clearing permits and native title permits are obtained by the applicant (Cazaly Resources) prior to commencement of any works involved in the construction of the by-pass road

and

Councils approves the request by Cazaly Resources to establish a new dedicated by-pass road diverting the Parker Range Road to the north of the proposed Mount Caudan Iron Ore mining project as marked in yellow on Appendix 3 on the following conditions:

- 1) All costs associated with the construction and surveying of the dedicated Parker Range Road by-pass is to be borne by the applicant (Cazaly Resources).
- 2) The new dedicated Parker Range Road by-pass road is to be constructed to a minimum 10 metre pavement road width (with a 200mm compacted gravel overlay) along with sufficient culvert installation to cater for any drainage requirements at the cost of the applicant (Cazaly Resources).
- 3) The new dedicated Parker Range Road by-pass road is to have right of way over any intersecting road
- 4) Haul roads intersecting Council's roads are to be in accordance to in Council's Policy No 6.5 Traffic Intersection Management Plan - Private Haul Roads Intersecting with Roads under Council Control
- 5) All relevant clearing permits, native title and environmental permits are obtained by the applicant (Cazaly Resources) prior to commencement of any works involved in the construction of the by-pass road

Voting Requirements

Simple Majority

149/2010

Moved Cr Kenward Seconded Cr J Della Bosca that Council approves the request made by Cazaly Resources to establish a new dedicated by-pass road diverting Liddell Road to the east of the proposed rail loop and iron ore stockpile area as marked in yellow on Appendix 2 on the following conditions:

Page 40
SHIRE OF YILGARN
MINUTES – ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

- 1) *All costs associated with the construction and surveying of the dedicated Liddell Road by-pass is to be borne by the applicant (Cazaly Resources).*
- 2) *The new dedicated Liddell Road by-pass road is constructed to a seven metre width double coat bitumen seal standard from the utility access road to the Great Eastern Highway intersection at the cost of the applicant (Cazaly Resources).*
- 3) *A gravel surfaced dedicated access road is to be established by the applicant (Cazaly Resources) to the rail passenger terminal at Moorine Rock Rail Station for members of public to utilise*
- 4) *The new dedicated Liddell Road by-pass road is to have right of way over any intersecting road*
- 5) *Haul roads intersecting councils roads are to be in accordance to in Councils Policy No 6.5 Traffic Intersection Management Plan – Private Haul Roads Intersecting with Roads Under Council Control.*
- 6) *All relevant clearing permits and native title permits are obtained by the applicant (Cazaly Resources) prior to commencement of any works involved in the construction of the by-pass road*

and

Councils approves the request by Cazaly Resources to establish a new dedicated by-pass road diverting the Parker Range Road to the north of the proposed Mount Caudan Iron Ore mining project as marked in yellow on Appendix 3 on the following conditions:

- 1) *All costs associated with the construction and surveying of the dedicated Parker Range Road by-pass is to be borne by the applicant (Cazaly Resources).*
- 2) *The new dedicated Parker Range Road by-pass road is to be constructed to a minimum 10 metre pavement road width (with a 200mm compacted gravel overlay) along with sufficient culvert installation to cater for any drainage requirements at the cost of the applicant (Cazaly Resources).*
- 3) *The new dedicated Parker Range Road by-pass road is to have right of way over any intersecting road*
- 4) *Haul roads intersecting Council's roads are to be in accordance to in Council's Policy No 6.5 Traffic Intersection Management Plan – Private Haul Roads Intersecting with Roads under Council Control*
- 5) *All relevant clearing permits, native title and environmental permits are obtained by the applicant (Cazaly Resources) prior to commencement of any works involved in the construction of the by-pass road*

CARRIED (7/0)

Page 41
SHIRE OF YILGARN
MINUTES – ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

Submission to:	Ordinary Meeting of Council – Friday, 18th June 2010
Agenda Reference:	9.3
Subject:	Cazaly Resources – Signed Agreements – Proposed Transportation Route–Mt. Caudan Iron Ore Project
File Reference:	10336
Author:	Robert Bosenberg – Manager for Works
Disclosure of Interest:	Yes
Date of Report:	11 th June 2010

Background

Councillors may recall at Councils May 2010 Meeting Cazaly Resources submitted a proposal for the preferred transportation route for the iron ore from their Mt. Caudan project to the Moorine Rock railway siding.

The proposed route that Cazaly had submitted (*Route 5A as attached*) has been determined following consultation with concerned property owners at the Stakeholders meeting held in Southern Cross on Tuesday, 20 April 2010 and recent individual consultation with those landholders most impacted by the transportation route.

Following deliberation by Councillors the following recommendation was past at Councils May 2010 Meeting.

“123/2010

Council allows Cazaly Resources to utilise the Parker Range Road (Route 5A as attached) as the proposed transport route for haulage of ore to Moorine Rock Rail Terminal subject to the company (Cazaly Resources) being able to show evidence to Council that it has come to an agreement with all the proposed stakeholders.

And

All private haul road intersections intersecting Council's roads and upgrade of the gravel section of the Parker Range Road to a sealed standard, designed to meet Main Roads Western Australia and Shire of Yilgarn requirements/standards to cater for heavy haulage activity as proposed by Cazaly Resources. Cost associated with such upgrades are met by Cazaly Resources and a suitable agreement between Shire of Yilgarn and Cazaly Resources will be required to be agreed upon to meet the expected increase in ongoing maintenance cost for repairs to the Parker Range Road as a result of the increased heavy haulage activity expected from the Mt Caudan mining venture.

Carried 6/0”

Comment:

Council has been notified by Cazaly Resources of signed agreements being reached with the affected landowners in Mr. Kim Stephen, Mr. Graham Maddock and Mrs Jeannie Maddock. Mr Glenn Nicholson has signed a agreement for Cazaly to

Page 42
SHIRE OF YILGARN
MINUTES - ORDINARY MEETING OF COUNCIL
FRIDAY, 18 June 2010

construct and operate heavy haulage route through his property but there is still negotiations in progress between both parties in relation to a lease agreement been finalised prior to any access or work being granted or taken. The signed agreements are attached for Councils information.

RECEIVED

MANAGER OF ENVIRONMENTAL HEALTH AND BUILDING REPORTS

Submission to:	Ordinary Meeting of Council – Friday 18 th June, 2010
Agenda Reference:	10.1
Subject:	Planning Application – Commercial Extraction of Gravel from Private Property
Location/Address:	Location 59 Moorine South Road, Moorine Rock
Name of Applicant:	Mr & Mrs Kim & Carolyn Stephen
File Reference:	10303 & 13301
Author:	Manager Environmental Health & Building Services – W J Dallywater
Disclosure of Interest:	Not applicable
Date of Report:	9 th June, 2010

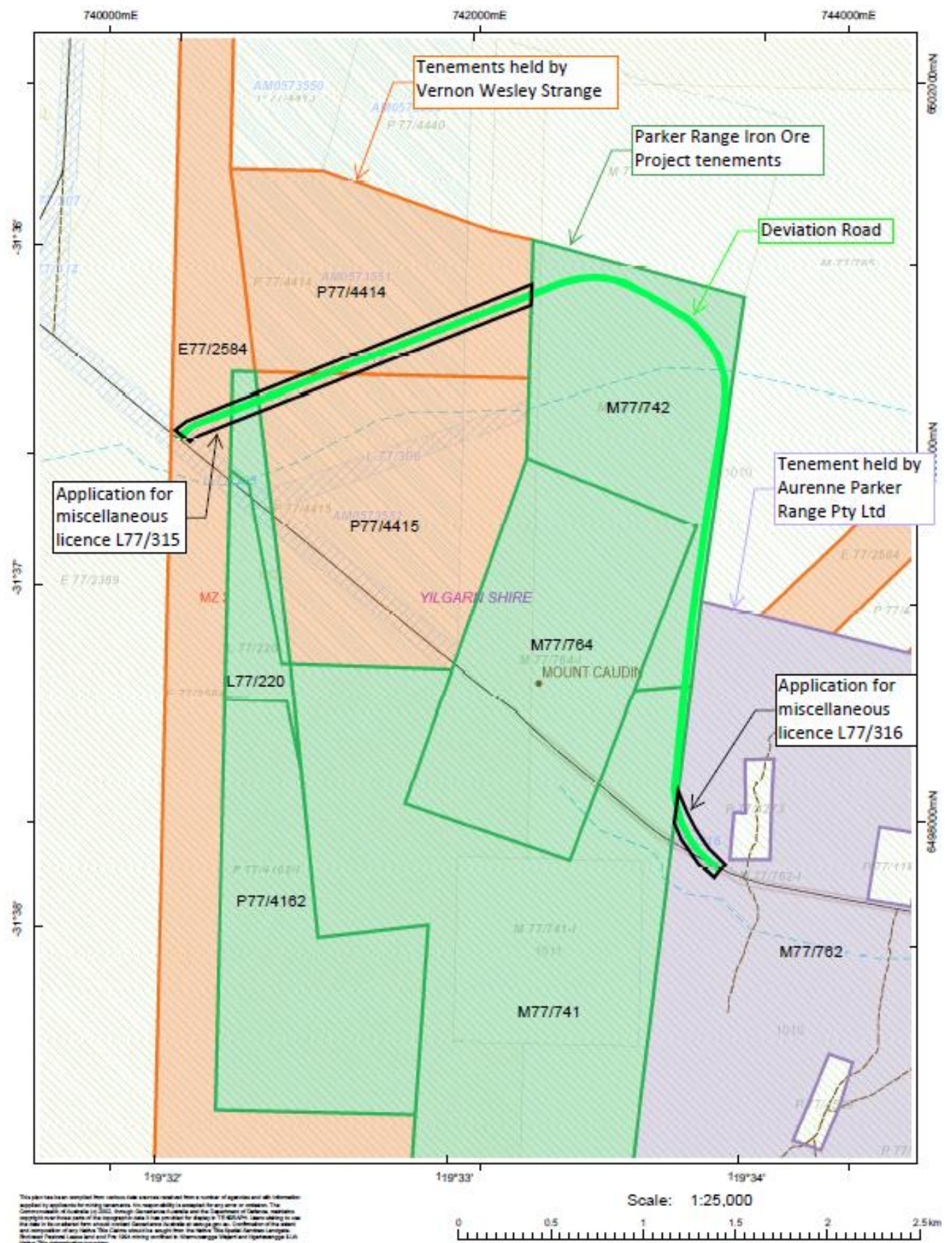
Background

Mr & Mrs Kim & Carolyn Stephen initially telephoned and then sent an E-mail to the Shire on 27th May 2010 advising that they wish to seek planning approval to establish a commercial extraction of gravel business from their property of Location 59 Moorine South Road, Moorine Rock. Initially they plan to sell the gravel extracted from the proposed gravel pit to private contractors for road construction, approximately 25,000 tonnes. The Stephens expect that there will be enough gravel left after the removal of the 25,000 tonnes to make it commercially viable for them to advertise the remaining gravel for sale.

The Stephens have applied to the Department of Environment and Conservation (DEC) for a Clearing Permit to clear an area of 10 hectares for the proposed gravel pit. The Stephens have indicated that they will be utilising Western Power's power line access track to access the proposed gravel pit and then one of Council's roads, thereby not needing to clear additional land for the access road. See attached copy of the E-mail, and aerial map showing the location of the proposed gravel pit.

The Stephens requested a response by 2nd June 2010 so that they could forward it to the DEC to support their application and confirm that they could conduct an extractive industry from their property.

Annexure D – Project Tenement Map



Annexure E – Xantippe Resources Ltd – ASX Announcement 23/09/2020

23 September 2020

Interim Drilling Update for Southern Cross Gold Project

Highlights:

- ✧ The latest round of drilling has been largely completed at the Southern Cross Gold Project - an area of Western Australia recognised as a prolific gold mining region, with existing processing infrastructure and +15Moz gold produced to date.
- ✧ 24 reverse circulation (RC) holes were drilled for a total of 2,404m across the Boodarding, Alpine/Roma, Xantippe and Glendower North prospects, targeting historical results and recently interpreted high-resolution magnetic imagery. A further 6 holes remain to be drilled.
- ✧ Preliminary assays have been received from the laboratory for all prospects.
- ✧ The preliminary results are 4m composite assays that have been performed using the photon analysis technique and will be further assessed by conventional fire assay method over 1m interval. Further assay results will be reported.
- ✧ High priority geophysical targets remain undrilled and untested with additional holes at Cornishman North planned to test Axehandle structure. The Company remains well funded to continue its drilling programme.

Xantippe Resources (ASX: XTC) ("Xantippe", XTC, or the "Company") is pleased to provide a drilling update for its recently acquired Southern Cross Gold Project, located south of the town of Southern Cross, Western Australia, is largely complete with analysis underway.



Figure 1: RC drill rig in operation at the Glendower gold prospect

To date, 24 reverse circulation (RC) holes have been completed for a total 2,404m with a further 6 RC holes to be drilled, subject to POW approval. Preliminary results have been received for the Glendower North, Xantippe, Treasury North, Boodarding, Ganymedes and Alpine/Roma prospects. Drilling at Boodarding was curtailed by inflow of water that was beyond the rig's capacity.

A further 6 holes are planned in the near term to test an interpreted extension of the Axehandle structure north of Cornishman (P77/2367). The Cornishman Gold Mine is a +150koz deposit and represents an important drill target for XTC along the shear zone.

Xantippe Managing Director Richard Henning said:

"Preliminary geological logs indicate intersections of sulphide and quartz mineralisation at all prospects, and we are awaiting more definitive 1m interval fire assay results. Further drilling is also planned to enable a better understanding of the mineralised zones. Significantly, the highest priority geophysical targets remain untested."

Preliminary results

Preliminary assays have been conducted on 4m composite samples using the photon assay technique. This technique was selected as a preliminary assay to identify mineralised zones, assaying 4m composite samples.

1m split samples have been collected and stored on site and will be assayed by conventional fire assay to better identify the tenor of mineralisation hosted by the targeted structures.

At the **Xantippe** prospect, preliminary assays indicate weathered intersections at shallow depth and are considered to be open at depth and along strike to the north. Significant results at this stage include:

4m @ 1.11g/t from 48m and 4m @ 1.97m from 60m [XAN006] and

4m @ 1.77g/t from 68m and 24m @ 0.27g/t from 96m [XAN 004] and

At **Treasury North**, significant results include:

4m @ 6.31g/t from 92m (TN 004).

The Competent Person advises that these results are preliminary, being the results of photon assay of 4m composite samples taken using a sampling spear from residue from a cone splitter mounted on the drill rig. Not all assay results have yet been received and fire assay of individual 1m samples is yet to be undertaken. The 1m samples are representative splits taken from the cone splitter and will be assayed on identification of mineralisation based on the preliminary photon assays.

Xantippe will release more detailed results as these are received and collated. All preliminary 4m composite sample assays have been received for all holes set out in Table 3 with significant intersections reported in Tables 1 and 2 below.

Table 1 Xantippe prospect preliminary downhole assay results above 0.27g/t Au

Drillhole	From (m)	To (m)	Intersection (m)	Preliminary assay (g/t Au)
XAN 006	48	52	4	1.11
	60	64	4	1.97
XAN 001	48	52	4	0.34
XAN 004	68	72	4	1.77
	96	120	24	0.27

Table 2 Treasury North prospect preliminary downhole assay results above 6.0g/t Au.

Drillhole	From (m)	To (m)	Intersection (m)	Preliminary assay (g/t Au)
TN 004	92	96	4	6.31

The remaining holes intersected zones of sulphide and quartz mineralisation. The remaining composite samples returned low level gold anomalies which will be further investigated by fire assay.

Xantippe will release more detailed results as these are received and collated.

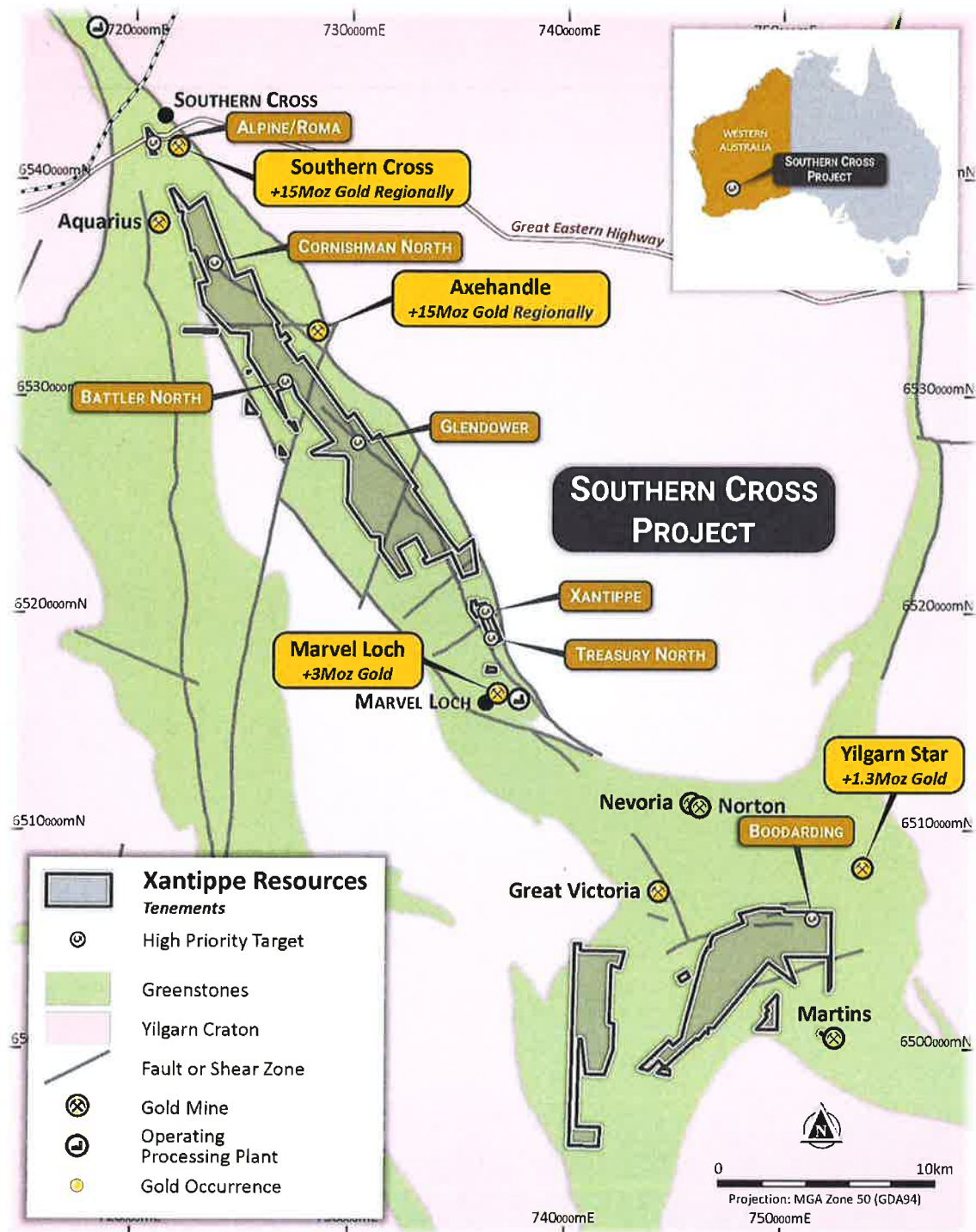


Figure 2: Project location map with Phase 2 Drilling

Competent Persons Statement

The Exploration Results reported in this announcement are based on, and fairly represent, information and supporting documentation prepared by Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters is a geologist and mining engineer and is an employee of Burnt Shirt Pty Ltd and has extensive professional experience with the geology of the Western Australian Goldfields. Mr Peters consents to the form and context in which the Exploration Results are presented in this announcement.

Table 3 Preliminary drill collar locations (MGA94 Zone 50), dips, azimuths (true north) and actual depths

Drillhole	Easting	Northing	RL	Dip (degrees)	Azimuth	Depth (m)
BD 001	751247	6505935	400.00	-60	270	96
BD 003	751280	6505901	400.00	-60	270	12
GE 001	732001	6522188	400.00	-60	255	48
GE 002	732022	6522191	400.00	-60	255	84
GN 001	732649	6526318	400.00	-60	90	108
GN 002	732590	6526322	400.00	-60	90	120
GN 003	732529	6526322	400.00	-60	90	120
GN 004	732620	6526382	400.00	-60	90	90
GN 005	732553	6526382	400.00	-60	90	144
GN 006	731991	6526392	400.00	-60	90	114
TN 001	735389	6522564	400.00	-60	50	102
TN 002	735346	6522531	400.00	-60	50	102
TN 003	735309	6522503	400.00	-60	50	102
TN 004	734971	6522254	400.00	-60	65	126
TN 005	735335	6522730	400.00	-60	80	102
TN 006	735277	6522722	400.00	-60	80	126
TN 007	735217	6522714	400.00	-60	80	120
XAN 001	735775	6520084	400.00	-60	60	120
XAN 002	735814	6520108	400.00	-60	60	72
XAN 003	735776	6520199	400.00	-60	60	66
XAN 004	735738	6520179	400.00	-60	60	144
XAN 005	735945	6519877	400.00	-60	60	72
XAN 006	735909	6519854	400.00	-60	60	112
XROM 001	720458	6542080	400.00	-60	55	102

Note: These are preliminary locations and formally surveyed collar locations are not yet available

This announcement has been approved for release by the Board of Xantippe Resources.

For more information, please contact:

Richard Henning
Managing Director
Xantippe Resources Limited
Phone: +61 8 6143 1840
Email: info@xantippe.com.au
www.xantippe.com.au

About the Southern Cross Gold Project

The Southern Cross Project is located 380km east of Perth, south east of Southern Cross in the Yilgarn Goldfield.

The project comprises 20 Prospecting Licences and 6 Exploration Licences with a combined area of around 175 km², over contiguous tenements cover around 40km of strike of the Southern Cross Greenstone Belt, which has historically produced around 15Moz gold, predominantly from the Marvel Loch and Southern Cross centres, both of which are in operation to varying extents.

The project area is serviced by sealed roads, grid power, scheme water, rail and town amenities. Minjar operates the Marvel Loch plant nearby and Ramelius Resources operates the Edna May facility some 60 kilometres to the west.

JORC Code, 2012 Edition: Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC – Code of Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Samples were collected from the drill cyclone and split into 1m intervals using a cone splitter. These 1m splits are to be stored for fire assay on identification of mineralised intersections. Sample residue was composited into 4m samples for preliminary assay using the photon analysis technique to identify mineralised intersections for further fire assay. The Competent Person considers the sampling techniques and approach to be appropriate for exploratory drilling.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	An industry-standard 5 ½" RC face sampling hammer drill was used in conjunction with a cone splitter. The site geologist observed sample return to identify any potential sample loss.
	<i>Aspects of the determination of mineralisation that are material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	Mineralisation at Southern Cross is usually associated with sulphides, with some coarse gold. The Competent Person considers that the combination of photon and fire assay is an appropriate approach to assaying such mineralisation. Photon assay examines the whole of a 500g split from a sample and is useful in assaying mineralisation where coarse gold may be present. The results of the photon assay will be compared to those of the subsequent fire assay of mineralised intersections.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether</i>	Drilling was undertaken by a pneumatic 5 ½" face sampling reverse circulation (RC) drill. This type of drill is ubiquitous to Western Australia's Eastern Goldfields.

Criteria	JORC – Code of Explanation	Commentary
	<i>core is oriented and if so, by what method, etc).</i>	
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	The site logging geologist observed sample returns and reported no abnormally low recoveries except in cases where holes were abandoned due to an influx of water. These holes are not being reported in this release.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	A cone splitter was attached to the cyclone and the entire sample passed through the splitter. Preliminary composite samples of 4m were taken using a spear from the cone splitter residue for photon assay to identify mineralised zones.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	The Competent Person considers that comparison of the preliminary samples to the fire assays will assist in identifying such a bias,
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	All drill holes were geologically logged in their entirety in a manner appropriate to exploration drilling. More detailed logging was not undertaken and the Competent Person considers this to be unnecessary at this stage and Mineral Resources are not being estimated.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of RC drill chips was qualitative, with salient factors noted, such as the presence of sulphides, quartz or alteration.
	<i>The total length and percentage of the relevant intersections logged.</i>	Drill holes were logged in their entirety.
Sub-sampling techniques	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No core drilling has been undertaken.

Criteria	JORC – Code of Explanation	Commentary
and sample preparation	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Samples were split from the cyclone by a cone splitter and drilling was halted if wet samples were presented.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation is appropriate to the sample type and is of a standard considered acceptable by the Competent Person
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Commercially prepared blank and standard samples were added “blind” at a rate of one blank sample per drill hole and one standard sample per 40m.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	One duplicate sample was taken and submitted “blind” each 40m.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The Competent Person considers the sample size to be appropriate for the material being sampled. Comparison of the photon and fire assay results will be used to verify this.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The Competent Person considers that industry standard assay techniques have been used that are appropriate for gold exploration. The Competent Person considers that the combination of photon assay and fire assay provides a total assay of the sample lot.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivations, etc.</i>	No geophysical analysis has been used
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of</i>	The Competent Person considers that commercially prepared blank and standard samples and the addition of duplicate samples is in sufficient proportion to inform a meaningful analysis of accuracy. The results being reported in this release are preliminary and no such analysis has been undertaken yet

Criteria	JORC – Code of Explanation	Commentary
	<i>accuracy (i.e. lack of bias) and precision have been established.</i>	nor will be undertaken until all sample results have been received.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Exploration drilling results are being reported here and no such verification has been undertaken and the Competent Person does not consider it to be necessary at this stage.
	<i>The use of twinned holes.</i>	No holes have been twinned and the Competent Person does not consider it to be necessary at this stage
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All data was captured in the field on paper logs which were dual entered onto a laptop computer as a cross-check for data entry errors. The data has subsequently been added to a commercial relational database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to the data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Hole collars were located with a hand-held GPS with attendant degree of accuracy. Collars have not yet been surveyed. This drilling is not being used to inform a Mineral Resource estimation and the Competent Persons considers that the accuracy is sufficient to inform preliminary exploration.
	<i>Specification of the grid system used.</i>	All hole collars were located in accordance with the MGA94 grid, Zone 50
	<i>Quality and adequacy of topographic control.</i>	The drill holes being reported have not been surveyed
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The Competent Person considers that the drill holes have been located appropriately for preliminary exploration drilling of targets identified from high resolution aeromagnetic surveys
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	No Mineral Resource has been estimated

Criteria	JORC – Code of Explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	Samples were composited to 4m using a sampling spear to provide preliminary samples for photon assay to identify zones of mineralisation
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Orientation of sampling is orthogonal to the interpreted orientation of structure and is not considered by the Competent Person to have introduced biases for the purpose of early-stage exploration results.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Sample bias is possible, but the competent Person does not consider it to be material in preliminary exploration drilling of targets identified and interpreted from high-resolution aeromagnetic data.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were collected on site under the supervision of the logging geologist and dispatched by courier to the assay laboratory. The Competent Person considers sample security to be adequate.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audit has been undertaken of the preliminary results being reported.

(Criteria in this section apply to all succeeding sections)

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC – Code of Explanation	Commentary
Tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Most of the tenure is held by V. Strange under prospecting licences and exploration licences, granted and pending. Tenements will be transferred to Xantippe Resources Ltd on execution of exclusive options. There are no native title interests over granted tenure. Tenement applications may be subject to native title, yet to be determined.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	Tenements are granted or pending and reported to be in good standing
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	The Company has obtained historical exploration records from DMIRS WAMEX database. Most of the historical work was conducted by Sons of Gwalia Ltd (public company) and Stephen Arthur Payne (private individual). The Competent Person considers this work to have been undertaken in accordance with industry standards current at the time.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The mineralisation types include structurally controlled epithermal gold, banded-iron-formation (BIF) hosted gold, pegmatitic tin-tantalum-niobium and porphyry copper-gold mineralisation. The geological setting is Archean greenstones of the Yilgarn Goldfield intruded by Archean granite domes.
Drill hole information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduce Level) – elevation above sea level in</i>	Preliminary drill hole collar locations are included in the body of this Report. The hole collars have not yet been formally surveyed and the Competent Person considers the preliminary locations to be appropriate for preliminary Exploration Results.

Criteria	JORC – Code of Explanation	Commentary
	<p><i>metres) of the drill hole collar</i></p> <ul style="list-style-type: none"> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length</i> 	
	<p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>This data is included where possible but the Competent Person advises that it is preliminary and that drill hole collar locations have not yet been formally surveyed. The Competent Person does not consider that this is material to the reporting of preliminary Exploration Results.</p>
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	<p>Assay data is reported as received from the laboratory.</p>
	<p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	<p>The preliminary results being reported here are 4m composites. Fire assay of 1m splits of samples from intersections reported as being mineralised will be reported in due course.</p>
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No metal equivalent values have been reported</p>
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p>	<p>These relationships are yet to be determined. All results are reported as intercept lengths and not true mineralisation widths</p>
	<p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p>	<p>Drill holes were designed to intersect the strike and dip of interpreted geological structures orthogonally, where possible. The Competent Person advises that the results represent the findings of early exploration and that the true</p>

Criteria	JORC – Code of Explanation	Commentary
		orientation of the mineralisation has not yet been identified.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Down hole lengths are reported in all instances and the true width of mineralisation not known.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	The Competent Person advises that the results being reported are preliminary and that formal surveys have not yet been completed and that maps and sections are not yet available.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The results being reported are preliminary and not all assays have been received from the laboratory. The Competent Person considers that appropriate cautions have been included in this report that alert the reader to the nature of the results.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Data collection is still in progress and additional information will be released in due course.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	The Company is planning drilling of other targets identified from geophysics and will expand drilling from the current programme where mineralisation has been identified.

Criteria	JORC – Code of Explanation	Commentary
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	The Competent Person advises that the results being reported are preliminary and that geological interpretation has not yet been completed and that such maps and sections are not yet available.

APPENDIX 2

DATUM PEG MINING TITLES SOLUTIONS- ON BEHALF OF MR VERN STRANGE

SUBMISSION

From: Darren McAulay <contact@datumpeg.com.au>
Sent: Monday, 12 October 2020 2:52 PM
To: Peter Clarke <ceo@yilgarn.wa.gov.au>
Cc: sxdrill@wn.com.au
Subject: Parkers Range Road Proposed Deviation

Hi Peter

Parker Range Road – Deviation by Mineral Resources Limited

Background

Some years ago, Cazaly investigated a proposal to deviate the Parker Range Road (PRR). This deviation was notated on relevant mining databases and mapping software so that parties interested in the region were put on notice. This notation was removed from the system some time ago.

Currently there are no similar notations giving notice to interested parties that there may be some encumbrance on the relevant land that will be affected by any deviation of the PRR. Vern Strange is an interested party, as is Xantippe Resources Limited. They are in agreement to explore a number of tenements which are located in the location through which MRL seeks to deviate the PRR.

MRL has applied for a number of mining tenements (for road purposes) in the area, which serves as a notification of sorts. Under the Mining Act, companies with competing tenement rights negotiate access and priority is determined by a “1st in time” principle. In the circumstances surrounding MRL’s applications for L77/305, L77/306 and L77/315 (see screen shot below), MRL is a 2nd in time applicant, with the Strange mining tenements holding a 1st priority to rights – which include rights or removal and relocation should the interests of the 2 parties collide in a manner in which they cannot co-exist.

Consultation

MRL and Strange were in consultation in relation to L77/305 (which is applied for over the current PRR). Despite Strange attempting to confer with MRL about L77/306 and L77/315 (because it became obvious there was some plan for 1 or both of these), MRL refused and continually refused to discuss those 2 applications. It is now evident as to why. MRL, understanding that, under the Mining Act processes, it would be held to a 2nd in time priority in relation to its applications, is now attempting to use the Shire and the Government Departments to approve the road – which puts Strange at a detriment in relation to priority and access to his lands.

Consider:

1. If Strange’s tenement is affected by MRL’s road, and Strange locates an ore body and requires the road be moved, MRL will be required to move its road at MRL’s expense;
2. However, if the road is a public road, and Strange locates an ore body and requires the road be moved, Strange is now put to the expense and burden of petitioning to remove / relocate the public road.

There is a solution, and that is that MRL is required to drill a sterilisation program in the area of its road prior to constructing any deviation. A sterilisation program will either determine that there is no economic resources in the vicinity and therefore no reason to object further to the placement of the road, or; it will identify an economic resources, in which case further investigations need to occur to determine the best place to locate the deviation of the PRR.

It is not Strange's fault that MRL are suddenly rushed into requiring access to this road for its operation. Strange has put 2 solutions to MRL so that MRL is able to resolve itself of the land contentions:

1. Strange has offered to sell the tenements to MRL;
2. Strange has informed MRL that it will require sterilisation drilling of the area of the road placement.

MRL has refused, and continues to refuse, both these solutions and continues to demand that its road placement is as it has applied for – now identified as L77/315.

Consultants engaged by Strange / Xantippe have identified that there are 3 target trends that run north-south through the intended road (see attached map), and has identified that these areas will need to be sterilised drilled so that MRL and Strange can be satisfied that an economic ore body is not being sterilised by placement of the PRR deviation. Comments from the consultants observe:

The Burbidge Group (massive sulphide-hosted gold – concordant sulphide lodes, discordant quartz veins, also lateritic resources/pyrrhotite, pyrite, magnetite, chalcopyrite, tellurides/carbonation) and Twisties Nob Au mineral occurrence, that are located to the NE of these tenements, appear to occur along a SW trending moderately to highly magnetic unit, which displays a boudinage-type pattern and that trends into P77/4415 and P77/4415 (Figure 2). There appears to be some semi-discrete magnetic anomaly highs located in the NE corner of P77/4415 and P77/4414, sitting along/proximal to the Burbidge trend and could represent pods of pyrrhotite/magnetite, or pods of ultramafic. Neither magnetic anomaly appear to have been drill tested.

This tenement package sits on a gravity gradient which represents the contact between more dense greenstone units and surrounding less dense granite. Gravity gradients are great regional target areas as these contracts likely represent strong thermal contrast zones between the hot and hydrous granite against the cool greenstone, forming upwell hydrothermal convection cells for gold mineralisation. These two tenements are in a similar location on the gravity gradient to Great Victoria, although the gradient at Great Victoria appears to be stronger.

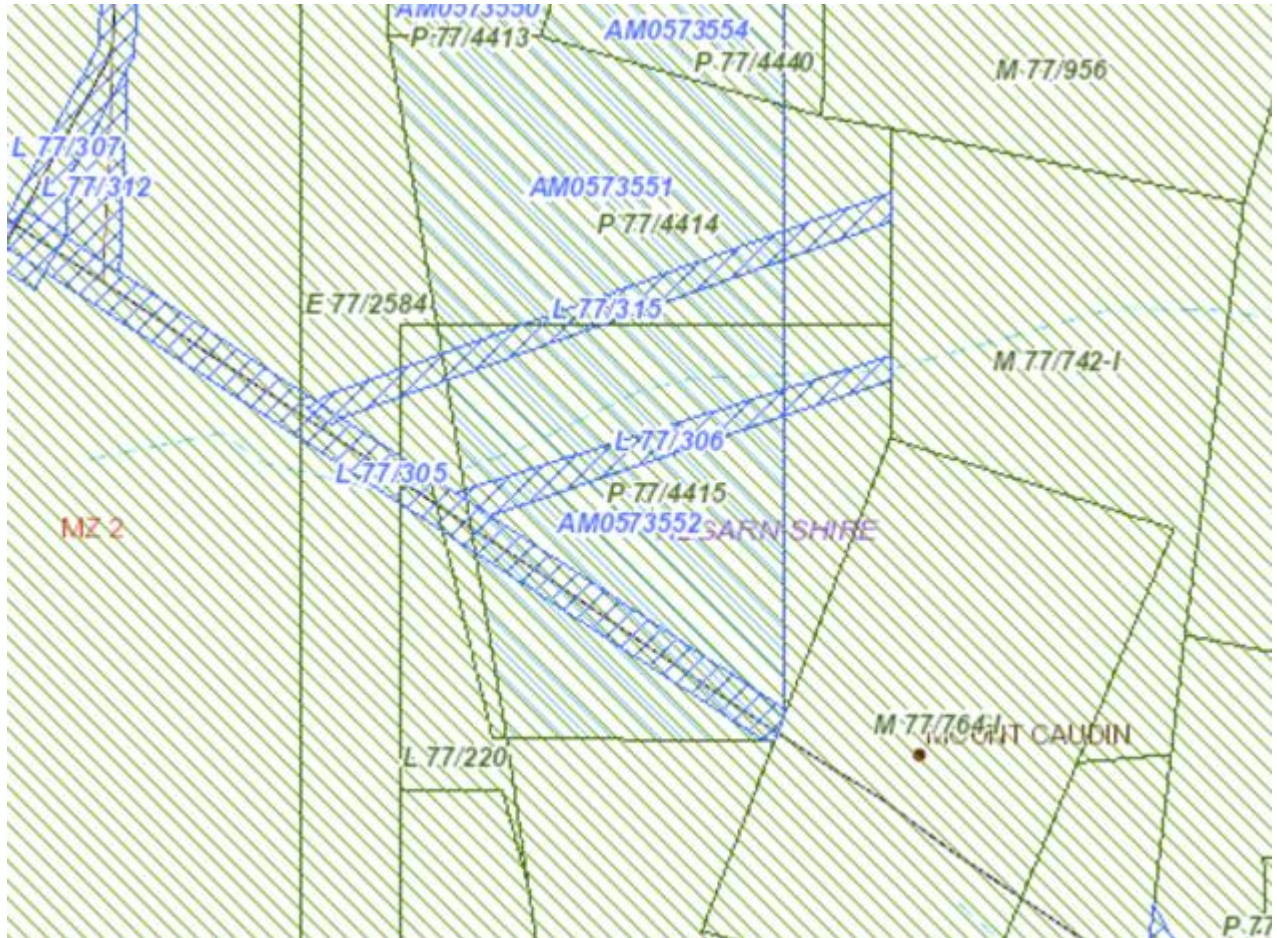
It is evident that there is potential for mineralisation in the area of Strange's tenements. There is nothing in the Mining Act that provides a greater priority to MRL's operations than to another, and the industry practice of negotiating access agreements to acknowledge that priority and establish principles in the event the activities of competing parties collide is well established. Strange has invited MRL, on many occasions to commence negotiations in relation to the PRR deviation – but MRL refuse and only seek to discuss the current PRR location. To date, MRL's conduct evidences that it believes its operations ought be given a higher priority than all others. Recently, Strange was informed that construction was commencing on his tenements to the clearing of the PRR deviation. It was only when this was followed up with the Shire CEO, that the Shire became aware that MRL did **not** have the approvals and land holder consents that it had informed the Shire were in place. As a result, MRL's clearing operations were halted at the boundary of Strange's tenements.

In summary:

1. if the Shire supports this operation in its current form, it removes from Strange / Xantippe the priority they hold under the Mining Act and as a result, Strange and Xantippe will potentially be put to extraordinary costs and expenses that they normally would not suffer;
2. MRL has been offered 2 different solutions from Strange / Xantippe to resolve this issue:
 - a. Sterilise drill the area; or
 - b. Purchase the tenements.
3. MRL refuses both these solutions, and now seeks Shire support to circumvent the obligations which would normally be put on MRL under the application / objection processes of the Mining Act.

The Shire is at no detriment by delaying the PRR deviation until appropriate actions are taken as the PRR currently exists and is functional. It is MRL who is in a hurry and is pushing for this to occur to the detriment of all others and to the sole benefit of MRL. It would be travesty, and contrary to public interest, natural

justice and procedural fairness, if MRL (just because of their impending timelines / restrictions) was able to bulldoze its way through priority ranking to interests in land. It is in this position because it refused to confer in relation to the deviation route for PRR (L77/315) and insisted that negotiations only focus on L77/305. If the Shire is minded to offer support to MRL in lieu of Strange's rights first being protected (or in some other way dealt with), then Strange and Xantippe first request that the Shire host a meeting so that Strange / Xantippe can appropriately air ventilate their objections. To avoid any doubt – Strange and Xantippe do **not** oppose the PRR deviation in principle, however; they first want to ensure that their rights are not being overlooked and denigrated.



Sincerely,

Darren McAulay
for



A: PO Box 5010 (Centrepont), Midland, WA, 6056
E: contact@datumpeg.com.au | M: 0459 697 769

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This email and any attachment is confidential between the Agent and the addressee. If it has been sent to you in error, please delete it and notify us.

Any opinion expressed herein is not a legal opinion unless it is expressly stated to be so.

From: Peter Clarke <ceo@yilgarn.wa.gov.au>
Sent: Monday, 21 September 2020 9:12 AM
To: xdrrill@wn.com.au; Darren McAulay <contact@datumpeg.com.au>
Subject: Parkers Range Road Proposed Deviation

To Affected Tenement Holders

Further to my previous advice regarding the above proposed deviation of Parkers Range Road, I now wish to formally advise that Council is now calling for submissions in respect to the proposal in accordance with Section 3.51 of the *Local Government Act 1995*, prior to any works proceeding with the deviation in affected tenement holder lands.

The attached Notice invites submissions, which will be received by Council up until 4.00pm on Monday, 12 October 2020, with any submissions received being presented to Council for consideration at its Ordinary meeting to be held on Thursday, 15 October 2020.

Should you require any further information regarding this matter, please do not hesitate to contact the undersigned.

Regards
Peter

Regards
Peter Clarke
Chief Executive Officer

