



S. 2  
amended.

- S. 3A  
amended.

S. 3B added.

Second  
Supple-  
mentary  
Agreement  
approved.

S. 4  
amended.

5. Section four of the principal Act is amended by adding, immediately after the word, "Agreement", at the end of subsection (1), the words, "and the Second Supplementary Agreement".

6. The principal Act is amended by adding, after the Second Schedule, the following Schedule—

Third  
Schedule  
added.

### THIRD SCHEDULE

THIS AGREEMENT under Seal made the 8th day of October 1968 BETWEEN THE HONOURABLE DAVID BRAND M.L.A. Premier and Treasurer of the State of Western Australia, acting for and on behalf of the said State and instrumentalities thereof from time to time (hereinafter called "the State") of the one part AND HAMERSLEY IRON PTY. LIMITED a company incorporated under the Companies Act 1961 of the State of Victoria and having its registered office in the State of Western Australia at 185 St. George's Terrace, Perth (hereinafter called "the Company" which expression will include the successors and assigns of the Company including where the context so admits the assignees and appointees of the Company under clause 20 of the Principal Agreement (as hereinafter defined) or under that clause as applying to this Agreement) of the other part—

#### WHEREAS

- (a) The Company has pursuant to and in compliance with clauses 4, 5 and 10 (1) of the Principal Agreement established a mine, a railway, townsites, a harbour, a wharf and extensive works, services and facilities relating to the foregoing;
- (b) The Company has also pursuant to and in compliance with clause 12 of the Principal Agreement established a plant for the secondary processing of iron ore and such plant has the capacity to produce two million (2,000,000) tons of iron ore pellets per annum;
- (c) It is desired to make provision for the grant of additional rights to and the undertaking of additional obligations by the Company as hereinafter provided;
- (d) It is also desired to add to and amend the Principal Agreement as hereinafter provided.

NOW THIS AGREEMENT WITNESSETH:

Interpre-  
tation.

1. In this Agreement subject to the context—
- “mineral lease” means the mineral lease referred to in clause 6 (2) (a) hereof and includes any renewal thereof;
- “mining areas” means the areas delineated and coloured red on the Plan marked “B” initialled by or on behalf of the parties hereto for the purposes of identification;
- “minister” means the Minister in the Government of the said State for the time being responsible (under whatsoever title) for the administration of the Ratifying Act and pending the passing of that Act means the Minister for the time being designated in a notice from the State to the Company and includes the successors in office of the Minister;
- “new Hamersley year 1” means the year next following the date by which the mineral lease has been granted to the Company and “new Hamersley year” followed by any other numeral has a corresponding meaning;
- “Principal Agreement” means the agreement of which a copy is set out in the First Schedule to the Iron Ore (Hamersley Range) Agreement Act, 1963-1964 as amended by the agreement of which a copy is set out in the Second Schedule to that Act (both of which agreements were approved by that Act) and except where the context otherwise requires as further amended by this Agreement;
- “Ratifying Act” means the Act to ratify this Agreement and referred to in clause 3 (1) (a) hereof;
- “special lease” means a special lease or licence to be granted in terms of this Agreement under the Ratifying Act or the Land Act and includes any renewal thereof;
- “this Agreement” “hereof” and “hereunder” include this Agreement as from time to time added to varied or amended;
- “townsite” in relation to the mining areas means a townsite or townsites which is or are established by the Company for the purposes of its operations and employees on or near the mining areas and whether or not constituted and defined under section 10 of the Land Act;
- Words and phrases to which meanings are given under clause 1 of the Principal Agreement (other than words and phrases to which meanings are given in the foregoing provisions of this clause) shall have the same respective meanings in this Agreement as are given to them under clause 1 of the Principal Agreement;

Reference in this Agreement to an Act shall include the amendments to such Act for the time being in force and also any Act passed in substitution therefor or in lieu thereof and the regulations for the time being in force thereunder;

Power given under any clause of this Agreement or under any clause other than clause 24 of the Principal Agreement as applying to this Agreement to extend any period or date shall be without prejudice to the power of the Minister under the said clause 24 as applying to this Agreement;

Marginal notes shall not affect the construction or interpretation hereof.

2. The State shall—

- (a) introduce and sponsor a Bill in the Parliament of Western Australia to ratify this Agreement; and
- (b) to the extent reasonably necessary for the purposes of this Agreement allow the Company to enter upon Crown lands (including land the subject of a pastoral lease) and survey possible sites for a railway, townsite, stockpiling, processing and other areas required for the purposes of this Agreement.

Initial  
Obligations  
of the  
State.

3. (1) Clause 3(2) and the subsequent clauses (other than clause 11(3)) of this Agreement shall not operate unless and until—

Ratification  
and  
Operation.

- (a) the Bill to ratify this Agreement as referred to in clause 2(a) hereof is passed as an Act before the 31st day of December, 1968 or such later date if any as the parties hereto may mutually agree upon; and
- (b) a Bill to ratify the agreement secondly referred to in the First Schedule hereto is passed as an Act before the 31st day of December 1968 or such later date if any as the parties hereto may mutually agree upon.

If the said Bills are not passed before that date or later date or dates (as the case may be) this Agreement will then cease and determine and neither of the parties hereto will have any claim against the other of them with respect to any matter or thing arising out of, done, performed or omitted to be done or performed under this Agreement save as provided in clause 11(d) of the Principal Agreement as applying to this Agreement.

(2) The following provisions of this Agreement shall notwithstanding the provisions of any Act or law operate and take effect, namely—

- (a) the provisions of subclauses (2), (3), (4) and (5) of clause 6, clause 7(6) and clause 15(13) of this Agreement and the provisions of the proviso to



(f) roads (including details of any roads in respect of which it is not intended that the provisions of clause 10 (2) (b) of the Principal Agreement as applying to this Agreement shall operate);

(g) any other works services or facilities proposed or desired by the Company.

(2) The Company shall have the right to submit to the Minister its detailed proposals aforesaid in regard to a matter or matters the subject of any of the paragraphs (a) to (g) inclusive of sub-clause (1) of this clause as and when the detailed proposals become finalised by the Company PROVIDED THAT where any such matter is the subject of a paragraph which refers to more than one subject matter the detailed proposals will relate to and cover each of the matters mentioned in the paragraph.

5. (1) Within one (1) month after receipt of any of the detailed proposals required to be submitted by the Company pursuant to clause 4 (1) hereof the Minister shall give to the Company notice either of his approval of the proposals submitted or of alterations desired thereto and in the latter case shall afford to the Company opportunity to consult with and to submit new proposals to the Minister. The Minister may make such reasonable alterations to or impose such reasonable conditions on the proposals or new proposals (as the case may be) as he shall think fit having regard to the circumstances including the overall development and use by others as well as the Company but the Minister shall in any notice to the Company disclose his reasons for any such alteration or condition. Within two (2) months of the receipt of the notice the Company may elect by notice to the State to refer to arbitration and within two (2) months thereafter shall refer to arbitration as provided in clause 25 of the Principal Agreement as applying to this Agreement any dispute as to the reasonableness of any such alteration or condition. If by the award on arbitration the dispute is decided against the Company then unless the Company within three (3) months after delivery of the award satisfies and obtains the approval of the Minister as to the matter or matters the subject of the arbitration this Agreement (other than clause 15 hereof) shall on the expiration of that period of three (3) months cease and determine (save as provided in clause 11 (d) of the Principal Agreement as applying to this Agreement) but if the question is decided in favour of the Company the decision will take effect as a notice by the Minister that he is so satisfied with and approves the matter or matters the subject of the arbitration.

Consideration of Company's Proposals.

(2) Notwithstanding that under sub-clause (1) of this clause any detailed proposals required to be submitted by the Company pursuant to clause 4 (1) hereof are approved by the Minister or determined by arbitration award

unless each and every such proposal is so approved or determined by the 28th day of February, 1969, or by such extended date if any as the Company shall be entitled to or shall be granted pursuant to the provisions hereof then at any time after the said 28th day of February 1969 or last such extended date as the case may be the Minister may give to the Company twelve (12) months notice of intention to determine this Agreement and unless before the expiration of the said twelve (12) months period all such proposals are so approved or determined this Agreement (other than clause 15 hereof) shall cease and determine subject however to the provisions of clause 11 (d) of the Principal Agreement as applying to this Agreement.

Obligations  
of the State  
—Rights of  
Occupancy.

6. (1) The State shall forthwith (subject to the surrender of the rights of occupancy as referred to in clause 4 (2) of the agreement secondly referred to in the First Schedule hereto) cause to be granted to the Company and to the Company alone rights of occupancy for the purposes of this Agreement (including the sole right to search and prospect for iron ore) over the whole of the mining areas under Section 276 of the Mining Act at a rental at the rate of eight dollars (\$8) per square mile per annum payable quarterly in advance for the period expiring on 31st December, 1968, and shall then and thereafter subject to the continuance of this Agreement cause to be granted to the Company as may be necessary successive renewals of such last-mentioned rights of occupancy (each renewal for a period of twelve months at the same rental and on the same terms) the last of which renewals shall notwithstanding its currency expire—

- (i) on the date of grant of a mineral lease to the Company under sub-clause (2) hereof;
  - (ii) on the expiration of five years from the date hereof; or
  - (iii) on the determination of this Agreement pursuant to its terms;
- whichever shall first happen.

(2) The State shall as soon as conveniently may be after all the proposals required to be submitted by the Company pursuant to clause 4 (1) hereof have been approved or determined pursuant to clause 5 hereof—

Mineral  
Lease.

- (a) after application is made by the Company for a mineral lease of any part or parts (not exceeding in total area fifty (50) square miles and in the shape of a rectangular parallelogram or parallelograms or as near thereto as is practicable) of the mining areas in conformity with the Company's detailed proposals under clause 4 hereof as finally approved



or determined cause any necessary survey to be made of the land so applied for (the cost of which survey to the State will be recouped or repaid to the State by the Company on demand after completion of the survey) and shall cause to be granted to the Company a mineral lease of the land so applied for (notwithstanding the survey in respect thereof has not been completed but subject to such corrections as may be necessary to accord with the survey when completed) for iron ore in the form of the Second Schedule hereto for a term which subject to the payment of rents and royalties hereinafter mentioned and to the performance and observance by the Company of its obligations under the mineral lease and otherwise under this Agreement shall be for a period of twenty-one (21) years commencing from the date of application by the Company therefor with rights to successive renewals of twenty-one (21) years upon the same terms and conditions but subject to earlier determination upon the cessation or determination of this Agreement PROVIDED HOWEVER that the Company may from time to time (without abatement of any rent then paid or payable in advance) surrender to the State any portion or portions (of reasonable size and shape) of the mineral lease;

- (b) subject to and in accordance with the said proposals as finally approved or determined—

- (i) grant to the Company for such terms or periods and on such terms and conditions (including renewal rights) as subject to the proposals (as finally approved or determined as aforesaid) shall be reasonable having regard to the requirements of the Company hereunder and to the overall development of and access to and use by others of lands the subject of any grant to the Company and of services and facilities provided by the Company

Lands.

at peppercorn rental—special leases of Crown lands for the townsite and for a railway from the vicinity of the mining areas to the Company's existing railway at or near Tom Price; and

at rentals as prescribed by law or as are otherwise reasonable—leases, rights, mining tenements, easements, reserves and licences in on or under Crown lands under the Mining Act or under the provisions of the Land Act modified as in sub-clause (3) of this clause provided (as the case may require) as the Company reasonably requires

for its works and operations hereunder including the construction or provision of the railway roads an airstrip water supplies and stone and soil for construction purposes; and

- (ii) provide any services or facilities subject to the Company's bearing and paying the capital cost involved and reasonable charges for operation and maintenance except operation charges in respect of education, hospital and police services and except where and to the extent that the State otherwise agrees—

subject to such terms and conditions as may be finally approved or determined as aforesaid PROVIDED that from and after the expiration of the fifteenth year after the date when the Company first exports iron ore won from the mineral lease (other than iron ore exported solely for testing purposes) or the twentieth anniversary of the date hereof whichever shall first occur the Company will in addition to the rentals already referred to in this paragraph pay to the State during the currency of the mineral lease after that date a rental (which if the Company so requests shall be allocated in respect of such one or more of the special leases or other leases granted to the Company hereunder and remaining current) equal to twenty-five cents (25c) per ton on all iron ore or (as the case may be) all iron ore concentrates in respect of which royalty is payable under this Agreement in any financial year such additional rental to be paid within three (3) months after shipment sale use or production as the case may be of the iron ore or iron ore concentrates;

- (c) On application by the Company cause to be granted to it such machinery and tailings leases (including leases for the dumping of overburden) and such other leases licences reserves and tenements under the Mining Act or under the provisions of the Land Act modified as in sub-clause (3) of this clause provided as the Company may reasonably require and request for its purposes under this Agreement on or near the mineral lease.

(3) For the purpose of paragraphs (b) (i) and (c) of sub-clause (2) of this clause the Land Act shall be deemed to be modified as set out in clause 9 (2) of the Principal Agreement.

(4) The provisions of sub-clause (3) of this clause shall not operate so as to prejudice the rights of the State to determine any lease license or other right or title in accordance with the other provisions of this Agreement.

(5) The provisions of sub-clauses (4) and (5) of clause 9 of the Principal Agreement shall apply to and be deemed to be incorporated in this Agreement as if the references to "this Agreement" and "the mineral lease" contained in the said sub-clauses were references to this Agreement and the mineral lease respectively and as if in paragraph (f) of the said sub-clause (4) the word "foregoing" were deleted therefrom and the figures "4 (1)" were substituted for the figures "5 (1)" and as if in the said sub-clause (5) the words "of the Principal Agreement as applying to this Agreement" were substituted for the word "hereof".

Application  
of clauses  
9 (4) and  
(5) of  
Principal  
Agreement.

7 (1) Subject to sub-clauses (2) and (3) of this clause the Company shall by the end of new Hamersley year 7 at a cost of not less than fifty million dollars (\$50,000,000) construct (and shall actually commence construction by the end of new Hamersley year 4 and shall progressively continue the construction in accordance with the reasonable requirements of the Minister having regard to the obligation of the Company to complete the construction within the period specified in this sub-lease) instal provide and do all things necessary to enable it to mine from the mineral lease and to transport by rail to the Company's wharf and to commence shipment therefrom in commercial quantities at an annual rate of not less than one million (1,000,000) tons of iron ore and without lessening the generality of this provision the Company shall by the end of new Hamersley year 7—

Obligations  
of the  
Company.  
To  
Construct.

- (a) construct instal and provide upon the mineral lease or in the vicinity thereof mining plant and equipment crushing screening stockpiling and car loading plant and facilities power house workshop and other things of a design and capacity adequate to enable the Company to mine handle load and deal with not less than three thousand (3,000) tons of iron ore per diem;
- (b) actually commence to mine and transport by rail iron ore from the mineral lease so that the average annual rate during the first two years shall not be less than one million (1,000,000) tons;
- (c) subject to the State having assured to the Company all necessary rights in or over Crown lands available for the purpose construct in a proper and workmanlike manner and in accordance with recognised standards of railways of a similar nature operating under similar conditions and along a route approved or determined under clause 5 hereof (but subject to the provisions of the Public Works Act 1902 to the extent that they are applicable) a four feet eight and one-half inches (4 ft. 8½ in.) gauge railway (with all necessary signalling switch and other gear and all proper or usual works) from

the mining areas to the Company's existing railway from Tom Price to Dampier and provide for crossing places and the running of such railway with sufficient and adequate locomotives freight cars and other railway stock and equipment to haul at least one million (1,000,000) tons of iron ore per annum to the Company's existing railway aforesaid;

- (d) subject to the State having assured to the Company all necessary rights in or over Crown lands or reserves available for the purpose construct by the said date such new roads as the Company reasonably requires for its purposes hereunder of such widths with such materials gates crossings and passovers for cattle and for sheep and along such routes as the parties hereto shall mutually agree after discussion with the respective shire councils through whose districts any such roads may pass and subject to prior agreement with the appropriate controlling authority (being a shire council or the Commissioner of Main Roads) as to terms and conditions the Company may at its own expense and risk except as otherwise so agreed upgrade or realign any existing road;
- (e) in accordance with the Company's proposals as finally approved or determined under clause 5 hereof and as require the Company to accept obligations—
- (i) carry out any further harbour and port development;
  - (ii) lay out and develop a townsite and provide adequate and suitable housing recreational and other facilities and services;
  - (iii) construct and provide roads housing school water and power supplies and other amenities and services; and
  - (iv) construct and provide other works (if any) including an airstrip.

(2) If at the end of new Hamersley year 3 the maximum number of tons of iron ore, iron ore concentrates and metallised agglomerates which the Company is or could become obligated to deliver during new Hamersley year 4 under all long term contracts existing at the end of new Hamersley year 3 exceeds by seven million five hundred thousand (7,500,000) tons or more the maximum number of tons of iron ore and iron ore concentrates which the Company now is or could become obligated to deliver during new Hamersley year 4 under all presently existing long term contracts then sub-clause (1) of this clause shall thenceforth be read construed and take effect as if the passage "new Hamersley year 6" were substituted for the passage "new Hamersley year 7" where twice occurring therein.

(3) If at the end of new Hamersley year 4 the maximum number of tons of iron ore, iron ore concentrates and metallised agglomerates which the Company is or could become obligated to deliver during new Hamersley year 5 under all long term contracts existing at the end of new Hamersley year 4 does not exceed by seven million five hundred thousand (7,500,000) tons or more the maximum number of tons of iron ore and iron concentrates which the Company now is or could become obligated to deliver during new Hamersley year 5 under all presently existing long term contracts then sub-clause (1) of this clause shall thenceforth be read construed and take effect as if the passage "new Hamersley year 8 or such later time (if any) as the Minister may approve" were substituted for the passage "new Hamersley year 7" where twice occurring therein and as if the passage "new Hamersley year 5 or such later time (if any) as the Minister may approve" were substituted for the passage "new Hamersley year 4" where occurring therein. For the purpose of this sub-clause and sub-clause (2) of this clause a long term contract is one which has a currency of not less than three (3) years from the relevant date.

(4) The provisions of paragraphs (a), (b), (c), (d), (e), (g), (i), (j), (k), (n) and (o) of clause 10(2) of the Principal Agreement shall apply to and be deemed to be incorporated in this Agreement as if—

Application  
of clause  
10 (2) of  
Principal  
Agreement.

- (a) the first reference in the said Clause 10(2) to "this Agreement" were a reference to the clauses of this Agreement other than clause 15 hereof and the other references therein to "this Agreement" were references to this Agreement;
- (b) the references in the said clause 10(2) to "the mineral lease" were references to the mineral lease;
- (c) the reference to "its railway" in the said paragraph (a) were a reference to any railway constructed by the Company and extending from the mining areas to the Company's existing railway at or near Tom Price;
- (d) in the said paragraph (b) the word "hereunder" were substituted for the words "under clause 6 or clause 7 hereof";
- (e) in the said paragraph (d) the words "wharf" and "dredging" were deleted therefrom and the word "hereof" were altered to read "of the Principal Agreement as applying to this Agreement";
- (f) in the said paragraph (k) the words "commencing with the quarter day next following the first commercial shipment of iron ore from the Company's wharf" were deleted therefrom;

- (g) in sub-paragraph (ii) of the proviso to the said paragraph (o) there were inserted after the word "not" the following, namely "together with the tonnage of ore so processed as mentioned in sub-paragraph (ii) of the proviso to paragraph (o) of the Principal Agreement".

Rent for  
Mineral  
Lease.

(5) Throughout the continuance of the mineral lease the Company shall pay to the State—

- (a) By way of rent for the mineral lease annually in advance a sum equal to thirty-five cents (35c) per acre of the area for the time being the subject of the mineral lease commencing on and accruing from the commencement of the term of the mineral lease; and
- (b) the rental referred to in the proviso to clause 6(2) (b) hereof if and when such rental shall become payable.

Application  
of Clause  
10 (3) of  
Principal  
Agreement.

(6) The provisions of clause 10(3) of the Principal Agreement shall apply to and be deemed to be incorporated in this Agreement as if the following passage, namely "clauses 10(2)(a) and 11(a) of the Principal Agreement as applying to this Agreement" were substituted for the passage therein beginning "paragraphs (a) and (f)" and ending "clause 11(a) hereof";

Application  
of Clause  
11 of the  
Principal  
Agreement  
(Mutual  
covenants).

8. The provisions of clause 11 (other than paragraph (1) thereof) of the Principal Agreement shall apply to and be deemed to be incorporated in this Agreement as if—

- (a) all references in the said provisions to "this Agreement" and to "the mineral lease" were references to this Agreement and the mineral lease respectively;
- (b) in paragraph (a) of the said clause 11 the figure "5" were substituted for the figure "7";
- (c) in paragraph (d) of the said clause 11:—

(Effect of  
Determina-  
tion of this  
Agreement).

- (i) sub-paragraph (iii) were deleted therefrom and the following sub-paragraph substituted therefor—

(iii) Any amendment to clause 13 of the Principal Agreement resulting from the operation of clause 14 hereof shall cease to take effect but the Principal Agreement shall continue to bear any construction that may have been placed on it pursuant to clause 13 hereof and shall continue to operate and have effect as amended by clause 15 hereof.

(ii) the words "clause 8 (4) of the Principal Agreement as applying to this Agreement" were substituted for the words "clause 8 (4) hereof";

(d) in paragraph (e) of the said clause 11 the word "hereof" were deleted and the words "of the Principal Agreement as applying to this Agreement" were substituted therefor and the words "for the Company's wharf for any installation within the harbour" and the words "port or port" were deleted therefrom.

9. (1) The Company will subject always to the provisions of clause 10 hereof— **Metallised Agglomerates.**

(a) before the end of new Hamersley year 2 submit to the Minister detailed proposals for the establishment within the said State of plant for the production of metallised agglomerates containing provision that such plant will by the end of new Hamersley year 4 have the capacity to produce not less than one million (1,000,000) tons of metallised agglomerates annually;

(b) before the end of new Hamersley year 7 submit to the Minister detailed proposals for the expansion of the productive capacity of such plant to not less than two million (2,000,000) tons of metallised agglomerates annually by the end of new Hamersley year 9; and

(c) before the end of new Hamersley year 10 submit to the Minister detailed proposals for the further expansion of the productive capacity of such plant to not less than three million (3,000,000) tons of metallised agglomerates annually by the end of new Hamersley year 12.

(2) The Minister shall within two (2) months of the receipt of each of such proposals give to the Company notice either of his approval of those proposals (which approval shall not unreasonably be withheld) or of any objections raised or alterations desired thereto and in the latter case shall afford the Company an opportunity to consult with and to submit new proposals to the Minister. If within two (2) months of receipt of such notice, agreement is not reached as to the proposals the Company may within a further period of two (2) months elect by notice to the State to refer to arbitration as provided in clause 25 of the Principal Agreement as applying to this Agreement any dispute as to the reasonableness of the Minister's decision. If by the award on arbitration the question is decided in favour of the Company the Minister shall be deemed to have approved the proposals of the Company.

(3) The Company will (except to the extent otherwise agreed with the Minister and subject always to clause 10 hereof) within the respective times specified in paragraphs (a), (b) and (c) of sub-clause (1) hereof complete the construction of plant in accordance with such proposals as finally approved or determined under this clause.

(4) The arbitrator arbitrators or umpire (as the case may be) of any submission to arbitration hereunder is hereby empowered upon application by either party hereto to grant any interim extension of time or date referred to herein which having regard to the circumstances may reasonably be required in order to preserve the rights of either or both the parties hereunder and an award in favour of the Company may in the name of the Minister grant any further extension of time for that purpose.

If metallised agglomerates not feasible.

10. (1) If the Company at any time considers that the construction of plant for the production of metallised agglomerates or, as the case may be, the expansion or the further expansion of the productive capacity of such plant as required to be proposed or as required pursuant to any proposals finally approved or determined under clause 9 hereof (hereinafter called "the metallising operation") is for any technical economic and/or other reason not feasible then the Company may (without prejudice to its rights (if any) under clause 23 of the Principal Agreement as applying to this Agreement) submit to the Minister the reasons why it considers the metallising operation is not feasible, together with supporting data and other information.

(2) Within two (2) months after receipt of a submission from the Company under sub-clause (1) of this clause the Minister shall notify the Company whether or not he agrees with its submission.

(3) If the Minister notifies the Company that he does not agree with its submission then at the request of the Company made within two (2) months after receipt by the Company of the notification from the Minister, the Minister will appoint a tribunal (hereinafter called "the Tribunal") of three persons (one of whom shall be a Judge of the Supreme Court of Western Australia or failing him a Commissioner appointed pursuant to section 49 of the Supreme Court Act 1935 and the others of whom shall have appropriate technical or economic qualifications) to decide whether or not the metallising operation is feasible and the Tribunal in reaching its decision shall take into account (*inter alia*) the Company's submission, the amount of capital required for the metallising operation, the availability of that capital at that time on reasonable terms and conditions, the likelihood of the Company being able to



sell metallised agglomerates at sufficient prices and in sufficient quantities and for a sufficient period to justify the metallising operation having regard to the amount and rate of return on total funds that would be involved in or in connection with the production and sale of metallised agglomerates by the Company and the comparable amount and rate of return on total funds employed in comparable metallurgical processes in Australia.

(4) If the Minister notifies the Company that he agrees with its submission or if on reference to the Tribunal the Tribunal decides that the metallising operation is not feasible then—

- (a) the Company will not have any obligation or further obligation to submit proposals in respect of the metallising operation as provided in clause 9 hereof or to carry out such proposals in respect thereof as may have been finally approved or determined pursuant to that clause; and
- (b) the Minister and the Company will forthwith confer with a view to agreeing on the substitution for the Company's obligations in respect of the metallising operation the obligation to carry out some feasible operation (related directly to the mining and metallurgical industry) representing an economic development within the said State approximately equivalent to the metallising operation.

(5) If within two (2) months after the Minister notifies the Company that he agrees with its submission or (as the case may be) within two (2) months after the Tribunal has announced its decision that the metallising operation is not feasible the Minister and the Company have not reached agreement under paragraph (b) of sub-clause (4) of this clause then the Minister will instruct the Tribunal to decide whether any and if so what other feasible operation of the kind referred to in that paragraph is capable of being and should be undertaken by the Company and the Tribunal in reaching its decision thereon shall have regard to any submissions made to it by the Minister and by the Company and also (*inter alia*) to the amount of capital required for such other operation, the availability of that capital at that time on reasonable terms and conditions, the likelihood of the Company being able to sell the product of such operation at sufficient prices and in sufficient quantities and for a sufficient period to justify the same having regard to the amount and rate of return on total capital that would be involved in or in connection with that other operation and the comparable amount and rate of return on total funds employed in comparable processes in Australia.





substituted therefor under clause 10 hereof or its relative construction obligations under clause 9(3) hereof then the period during which the Company exports from the said State fifty million (50,000,000) tons of iron ore won from the mineral lease or a period of ten (10) years whichever first elapses;

- (ii) if the notice of default is given in respect of the Company's obligations under clause 9(1)(b) hereof or of any of its obligations substituted therefor under clause 10 hereof or its relative construction obligations under clause 9(3) hereof then the period during which the Company exports from the said State thirty seven million five hundred thousand (37,500,000) tons of iron ore won from the mineral lease or a period of seven (7) years and six (6) months whichever first elapses;
- (iii) if the notice of default is given in respect of the Company's obligations under clause 9(1)(c) hereof or of any of its obligations substituted therefor under clause 10 hereof or its relative construction obligations under clause 9(3) hereof then the period during which the Company exports from the said State twenty five million (25,000,000) tons of iron ore won from the mineral lease or a period of five (5) years whichever first elapses;

provided that in each case the period shall be extended by such further period as may be necessary to enable the Company to fulfil any contract or contracts for the sale of iron ore won from the mineral lease which it has entered into with the consent of the Minister.

- (c) in no event shall any default by the Company in the due performance or observance of any of its covenants or obligations to the State in or under this Agreement or of its covenants or obligations under clause 13 of the Principal Agreement if and while amended by clause 14 of this Agreement or of its covenants or obligations in or under any lease sub-lease licence or other title or document granted or assigned under this Agreement on its part to be performed or observed entitle the State to determine the Principal Agreement or any rights of the Company thereunder or under any lease licence easement or right granted thereunder or pursuant thereto.



cent (0.5c) per kilowatt hour and supplied by the State at points reasonably adjacent to the respective places at which it is from time to time required by the Company, then the State and the Company will forthwith enter into an agreement for the supply of such electrical power accordingly, and from and after the date when such agreement is entered into and so long as the State complies with all its obligations under the said agreement clause 13 of the Principal Agreement shall be read construed and take effect as if each numeral appearing therein immediately after the word "year" were a numeral six less than each such numeral PROVIDED that upon the grant by the State of a mineral lease to Mount Bruce Mining Pty. Limited pursuant to clause 8 (1) of the Hanwright Agreement this clause shall be read construed and take effect as if the words and figures "six tenths of a cent (0.6c)" were substituted for the words and figures "five tenths of a cent (0.5c)" appearing in this clause and any electricity supply agreement then entered into between the State and the Company pursuant to this clause shall be correspondingly amended from and after that time.

Further  
 Amend-  
 ments to  
 Principal  
 Agreement.

15. The Principal Agreement is hereby amended as follows—

- (1) by inserting after the definition of "integrated iron and steel industry" in clause 1 thereof the following definition—

"iron ore concentrates" means products (whether in pellet or other form) resulting from secondary processing but does not include metallised agglomerates;

- (2) by inserting after the definition of "Land Act" in clause 1 thereof the following definition—

"metallised agglomerates" means products resulting from the reduction of iron ore or iron ore concentrates by any method whatsoever and having an iron content of not less than eighty five per cent. (85%);

- (3) by adding the following words at the end of the definition of "secondary processing" in clause 1 thereof—

and pelletisation and the production of metallised agglomerates;

- (4) by inserting in clause 9 (1) (a) thereof before the word "parallelogram" the word "rectangular" and after the word "parallelograms" the words "or as near thereto as is practicable";

- (5) by inserting after the words "the Company's wharf" in clause 10 (2) (e) thereof the words "or from any other wharf constructed by the Company within a

distance of three (3) miles (or such further distance as may be approved by the Minister) from the Company's wharf";

- (6) by substituting for the passage "on direct shipping ore (not being locally used ore)" in clause 10 (2) (j) (i) thereof the passage "on direct shipping ore and on fine ore and fines where such fine ore or fines are not sold and shipped separately as such (not being locally used ore)";
- (7) by substituting for the passage "on fine ore (not being locally used ore)" in clause 10 (2) (j) (ii) thereof the passage "on fine ore sold and shipped separately as such (not being locally used ore)";
- (8) by substituting for the passage "on fines (not being locally used ore)" in clause 10 (2) (j) (iii) thereof the passage "on fines sold and shipped separately as such (not being locally used ore)";
- (9) by substituting for sub-paragraph (iv) of clause 10 (2) (j) thereof the following sub-paragraph—
  - (iv) on locally used ore (not being iron ore used for producing iron ore concentrates) and on iron ore concentrates produced from locally used ore and shipped or sold or used in an integrated iron and steel industry or in plant for the production of metallised agglomerates (other than iron ore concentrates shipped solely for testing purposes) at the rate of fifteen cents (15c) per ton;
- (10) by adding the words "separately as such" after the words "shipped or sold" where twice appearing in clause 10 (2) (j) (vii) thereof;
- (11) by adding the following words at the end of paragraph (j) of clause 10 (2) thereof, namely—

Where iron ore concentrates are produced from an admixture of iron ore from the mineral lease and other iron ore a portion (and a portion only) of the iron ore concentrates so produced being equal to the proportion that the amount of iron in the iron ore from the mineral lease used in the production of those iron ore concentrates bears to the total amount of iron in the iron ore so used shall be deemed to be produced from iron ore from the mineral lease;

- (12) by substituting for the words "the subject of" (where thrice appearing), "ore processed" (where twice appearing) and "so processed" in sub-paragraphs (i), (ii) and (iii) of clause 10 (2) (o) thereof the words "used in", "ore so used" and "so used" respectively;





other company or companies now has or at some future time has installed or provided a plant or plants for the production of iron ore pellets, metallised agglomerates, pig iron, foundry iron or steel or a railway or any other facilities any increase in the capacity of such plant, plants, railway or other facilities which is carried out under arrangements made by the Company with such associated company or associated companies or (with the consent of the Minister as aforesaid) with such other company or companies shall to the extent of the increase reduce or (as the case may be) extinguish the obligation of the Company to provide such capacity.

20C. (1) The Minister may with the consent of the Company from time to time add to cancel or vary any right or obligation relating to works for the transport and/or export of ore or pellets or the production or transport or export of metallised agglomerates or steel to the extent that the addition cancellation or variation implements or facilitates the method of achieving any of the purposes of production or transport or export of ore or pellets or metallised agglomerates or steel produced from ore from the mineral lease.

(2) The Company shall be entitled at any time and from time to time with the prior approval in writing of the Minister to enter into an agreement with any third party for the joint construction maintenance and user or for the joint user only of any work constructed or agreed to be constructed by the Company pursuant to the terms of this Agreement or by such other party pursuant to any agreement entered into by it with the State and in any such event any amount expended in or contributed to the cost of such construction by the Company shall for the purpose of the calculation of the sum agreed to be expended on that work by the Company under this Agreement and if so approved by the Minister be taken and accepted as an amount equal to the total amount expended (whether by the Company or the said third party or by them jointly) in the construction of such work.

(3) When any agreement entered into by the Company with some other company or person results in that other company or person discharging all or any of the obligations undertaken by the Company under this Agreement or renders it unnecessary for the Company to dis-



Act, 196 which said Act (*inter alia*) authorised the grant of a mineral lease to the Company NOW WE in consideration of the rents and royalties reserved by and of the provisions of the said Agreement and in pursuance of the said Act DO BY THESE PRESENTS GRANT AND DEMISE unto the Company subject to the said provisions ALL THOSE pieces and parcels of land situated in the

19 with the right to renew the same from time to time for further periods each of twenty-one years as provided in but subject to the said Agreement for the purposes but upon and subject to the terms covenants and conditions set out in the said Agreement and to the Mining Act (as modified by the said Agreement) YIELDING and paying therefor the rent and royalties as set out in the said Agreement. AND WE do hereby declare that this lease is subject to the observance and performance by the Company of the following covenants and conditions, that is to say:—

- (1) The Company shall and will use the land *bona fide* exclusively for the purposes of the said Agreement.
- (2) Subject to the provisions of the said Agreement the Company shall and will observe, perform, and carry out the provisions of the Mines Regulation Act, 1946, and all amendments thereof for the time being in force and the regulations for the time being in force made thereunder and subject to and also as modified by the said Agreement the Mining Act so far as the same affect or have reference to this lease.

