

IRON AND STEEL INDUSTRY.

11° and 12° Geo. VI., No. LXVII.

No. 67 of 1947.

AN ACT to authorise the Government to contract or arrange for the development and mining of any iron ore resources of the State, to promote or assist in the promotion of any Company having objects which include the establishment, maintenance, or carrying on of an iron industry, a steel industry or an integrated iron and steel industry, to subscribe and pay for, acquire and hold shares in any such Company and to direct or control, or assist in the direction or control of any such Company, and to make certain contracts ; and further to ratify an Agreement made between the Government and H. A. Brassert & Co. Ltd. relating to certain iron ore deposits ; and for other purposes relating to the foregoing.

[Assented to 10th January, 1948.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same as follows:—

Short title.

1. This Act may be cited as the *Iron and Steel Industry Act, 1947.*

2. This Act shall be construed subject to the Commonwealth of Australia Constitution Act and so as not to exceed the legislative power of the State to the intent that where any provision of this Act or the application thereof to any person or circumstance is held invalid the remainder of this Act and the application of such provisions to any other person or circumstance shall not be affected.

Construction.

3. This Act shall be administered by the Minister for Industrial Development or other Minister of the Crown for the time being charged with the administration of this Act.

Administra-
tion.

4. (1) The Minister acting for and on behalf of the Government of the State shall have and may exercise the following powers and authorities:—

Powers of
Minister.

- (a) To contract or arrange for the development and mining of any iron ore, coal or limestone resources of the State.
- (b) To promote or assist in the promotion of any Company having as its objects or as part of its objects the development or mining of any of the iron ore, coal or limestone resources of the State or the establishment, maintenance or carrying on of an iron industry, a steel industry or an integrated iron and steel industry.
- (c) To subscribe and pay for, acquire and hold shares in any such Company: Provided that such holding shall not at any one time exceed fifty per centum of the total issued capital of the Company.
- (d) To direct or control or assist in the direction or control of any such Company, and to nominate and appoint any representative of the Government to the directorate of any such Company.
- (e) To make any advance to, or guarantee any advance made to any such Company, upon such terms and conditions as the Minister, with the approval of the Treasurer, shall think fit.

- (f) In furtherance of any of the objects or purposes of this Act, to make any contract, either alone or jointly with any such Company or other person, for or in relation to—
- (i) the provision of capital for any such Company from within or from outside the State;
 - (ii) the employment or services of staff, technicians or advisers; or
 - (iii) buildings, railways, tramways, sidings, wharves, piers, roads, ways, conveniences, patents, processes, licenses or other activities for or for the assistance of any such Company.
- (g) generally to do or execute any act or matter incidental or convenient to the due administration of this Act.

(2) No concern maintained or carried on under the authority of this Act shall be a State trading concern within the meaning of the State Trading Concerns Act, 1916, and the provisions of that Act shall not apply thereto.

Ratification
of Agreement.

5. The Agreement set out in the Schedule to this Act is hereby ratified.

Provided that paragraph (a) of subclause (iii) of clause 5 of the said Agreement is and shall be deemed amended by the insertion after the words "plus five per cent." in the last line, the words "(any dispute, doubt or question between the parties arising under this paragraph shall be determined by arbitration under the provisions of the Arbitration Act, 1895, or any statutory modification thereof)."

Schedule.

(Section 5.)

THE SCHEDULE.

THIS AGREEMENT made the 27th day of October One thousand nine hundred and forty-seven between the Honourable Arthur Frederiek Watts Minister for Industries and Deputy Premier of the State of Western Australia (hereinafter called "the Government") of the one part and H. A. Brassert & Co. Ltd. of Granite House Cannon street London England (hereinafter called "the Company") of the other part:

WHEREAS the Company is the holder of Koolan Island Mineral Leases numbered 29 to 35 inclusive West Kimberley Mineral Field situate on Koolan Island Yampi Sound.

AND WHEREAS negotiations have taken place between the parties hereto concerning the said leases and their development.

NOW IT IS HEREBY AGREED AS FOLLOWS:—

1. The Company will prior to the granting of the leases mentioned in clause two hereof surrender mineral leases Nos. 29 to 35 inclusive.

2. The Government will within three months from the date of this Agreement grant to the Company a lease or leases (hereinafter called "the said leases") of all those portions of Koolan Island coloured red on the plan hereto annexed (marked by the parties for the purposes of identification) and more particularly described on such plan for a term of twenty-one years with the right of renewal for a further period of twenty-one years subject as is hereinafter provided. The said leases shall be in accordance with and subject to the provisions for the time being in force of the Mining Act, 1904-1937, and the Regulations made thereunder and subject also to the agreements and conditions contained in this Agreement.

3. The Company will at all times use its best endeavours to develop the iron ore deposits on the said leases and will keep the Government informed from time to time of its efforts in that direction.

4. Subject to the provisions of this Agreement and any necessary approval of the Commonwealth Government the Company shall be at liberty to export any or all iron ore won from the said leases to any part of the British Commonwealth or the United States of America for processing and use in manufactures established in such countries and the Government will raise no objection to the Commonwealth consenting to such export aforesaid for the purposes aforesaid.

5. The Government will have the first call on all iron ore produced from the said leases up to a maximum quantity of one million tons in each year following the commencement of production of such iron ore upon the following conditions, that is to say:

- (i) When the Company shall have commenced the production of iron ore it shall notify that fact in writing to the Government.
- (ii) The iron ore shall be supplied by the Company to the Government or its nominees in such quantities within the maximum aforesaid and at such times as may be required by the Government from time to time provided that the Government shall from time to time give to the Company six months' notice of its iron ore requirements from time to time.
- (iii) The price (f.o.b. Koolan Island) of such iron ore shall at the option of the Government be:
 - (a) The cost of producing such ore (in estimating which cost there shall be included depreciation and interest on capital (including the original

cost not exceeding £35,000 of the leases to be surrendered) as well as all overhead charges properly taken into account in arriving at net profits) plus five per cent. *or* alternatively

- (b) The lowest f.o.b. price Koolan Island at which iron ore is being supplied to the Company's other customers at the time notice to supply is given by the Government.

6. The Company shall be permitted:

- (a) Full and free ingress and egress to and from the said leases to the waterfront over a route or way to be determined by the Government but to be constructed by the Company at its own expense.
- (b) To erect plant buildings jetties stockpiles and all other buildings and constructions, which shall be necessary, and the Government shall make available free of charge for those purposes beyond the boundaries of the said leases suitable business and machinery areas (under and subject to the provisions of the Mining Act, 1904-1937, and the Regulations thereunder) to be determined by the Government and to be liable to forfeiture by the Government upon forfeiture of the said leases.

7. The Government shall grant to the Company complete exemption from work and labour conditions on the said leases for an initial period of four years from the date of this Agreement and the Government shall have the right forthwith at the end of the said period of four years to forfeit the said leases if it is not satisfied with the progress achieved by the Company and if in the opinion of the Government further extension is unlikely to achieve the production of iron ore in substantial quantities within what shall be considered by the Government to be a reasonable period.

8. (a) The Company shall at its own cost and expense before the Twenty-seventh day of October, One thousand nine hundred and forty-nine, make and complete a good and workmanlike test at a plant in the United States of America of all the iron ore not exceeding one hundred tons (to be procured by the Government from either Cockatoo or Koolan Island and to be delivered by the Government to the Company at Fremantle or Newcastle in Australia at the Government's option upon reasonable notice by the Company) with a view to ascertaining the reaction thereof to the process known as "direct reduction" and the Company shall before the date aforesaid communicate the result of such test to the Government.

(b) The Company shall endeavour to obtain the grant of a license from the proprietors of such process to use such process in the Company's operations upon the said leases and if successful in obtaining such license the Government shall have the option at any time after the granting of such license of acquiring from the Company a like license to use such process for the full unexpired residue of the term of the license obtained by the Company from the proprietors and

any renewal thereof at a royalty of three pence per ton on each ton of iron ore processed by the Government by the use of such process: Provided however that in erecting and operating a plant for utilising the said process the Government will retain the services of the Company as consulting engineers on reasonable terms and conditions to be agreed upon and in the event of dispute to be determined by arbitration under the provisions of the Arbitration Act, 1895, or any statutory modifications thereof.

9. The Company shall be at liberty to make arrangements in Australia, the United Kingdom and United States of America or with the consent of the Government in any other countries for the provision of the capital required for developing the said leases on such terms as the Company may think fit, not being inconsistent with this Agreement, and the Government is prepared to consider any proposal by the Company for participation or otherwise to facilitate the provision of the said capital.

10. Except as hereinafter provided no alienation of the said leases or business or machinery areas by the Company shall be permitted except with the consent of the Government: Provided however that such consent shall not be withheld if the Company shall find it desirable for facilitating development of the said leases, or for purposes of internal reconstruction to transfer the said leases business and machinery areas to some new or re-constructed company comprising the same shareholders as the existing company on execution of a Deed of Covenant by the transferee with the Government in such form as may be required by the Government to perform and observe and be bound by all the agreements on the part of the Company and conditions herein contained and to exclude from the acquisition of its shares any company interested in the processing and manufacture of iron or steel in Australia and upon the registration of such transfer such new or re-constructed company shall be and become entitled to all the privileges and benefits of and shall assume all the liabilities of the Company under this Agreement to the same extent in all respects as if such new or re-constructed company had been "the Company" party to this Agreement. Section 4 of the Landlord and Tenant Act, 1912, is hereby excluded.

11. Subject to the provisions of this Agreement, the Company shall at all times duly and punctually comply with and observe the provisions for the time being in force of the Mining Act, 1904-1937, and the regulations made thereunder and all other laws of the said State applicable to the Company and its operations under or pursuant to the provisions of this Agreement and/or the said leases and/or the said business and machinery areas.

12. In the event of the Company or its transferees referred to in clause ten of this Agreement making default in the due and punctual performance or observance of any term condition or agreement on the Company's part herein contained the Government may at its discretion forthwith upon notice to the Company at its registered office for the time being in the said State cancel and rescind this

Agreement and the concessions hereby granted whereupon the estate, right, title and interest in this Agreement and the said leases business and machinery areas of the Company and its transferees and any person firm or company claiming through or under it or them shall absolutely cease and determine without prejudice however to any claims of the Government arising out of any such default aforesaid: Provided that the Company shall not be liable for or for the consequences of the act of God or of the King's enemies.

13. Nothing herein contained or implied shall prejudice or affect the right of the Government to forfeit the leases mentioned in clause one hereof or the said leases or the said business or machinery areas under the forfeiture conditions appertaining thereto respectively.

14. This Agreement is to be construed and take effect as a contract made in the State of Western Australia and in accordance with the law of that State and the Company hereby submits to the jurisdiction of the Courts of that State.

15. This Agreement is provisional only and is not to become absolute unless and until—

- (a) the same is adopted by the Company in such manner as to render the same binding on the Company and
- (b) is confirmed by the Parliament of the State of Western Australia.

16. Unless this Agreement is so adopted and confirmed before the thirty-first day of December, One thousand nine hundred and forty-seven, either of the parties hereto may by notice in writing to the other determine the same.

17. The determination of this Agreement shall not give rise to any claims for compensation expenses or otherwise.

IN WITNESS WHEREOF the Honourable Arthur Frederick Watts hath hereunto set his hand, and Jack Reddie Thring of Savoy Hotel, Perth, in the said State, the Secretary of the said Company, has hereunto for and on behalf of the said Company set his hand the day and year first above written.

Signed by the Honourable Arthur
Frederick Watts in the presence
of:

J. F. Walsh, Solicitor, Perth.

ARTHUR F. WATTS.

Signed for and on behalf of H. A.
Brassert & Co. Ltd. by its
Secretary Jack Reddie Thring
in the presence of:

S. H. Good, Solicitor-General,
Perth.

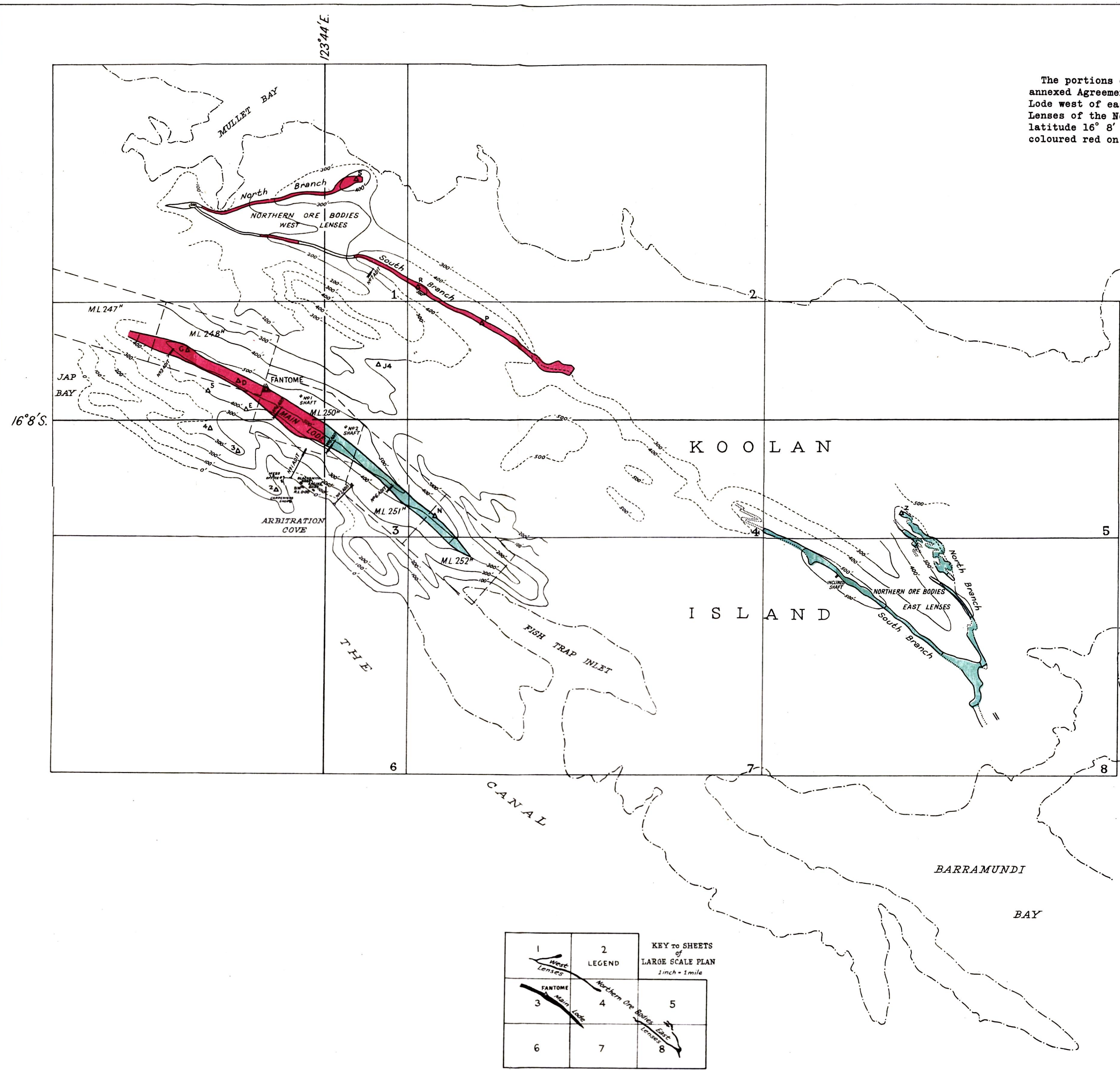
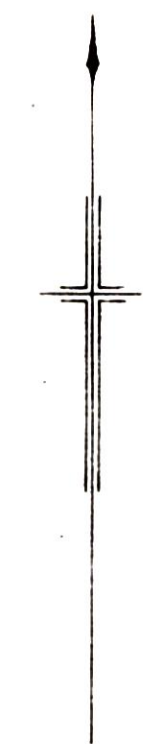
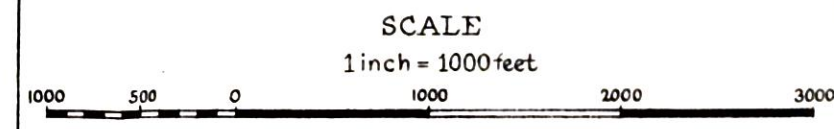
J. R. THRING.

DESCRIPTION

The portions of KOOLAN ISLAND referred to in the annexed Agreement are all that portion of the Main Lode west of east longitude 123° 44' and the West Lenses of the Northern Ore Bodies north of south latitude 16° 8' and being those portions shown coloured red on this plan.

— LEGEND —

- Trig stations △
- Contours --- 300' ---
- Form lines - - - 400' - - -
- Shore line from A.G. & G.S. of N.A. plans - - - - -
- Northern ore bodies by F.G.F. and F.A.M. Accepted boundaries - - - - -
- Inferred boundaries - - - - -
- Main Lode Outcrop from A.G. & G.S. of N.A. plans — — — — —
- Adits > — — — — —
- Ore exposed in Adits > — — — — —
- Shafts ⊕ No. 1
- Lease boundaries ML 248"



KEY TO SHEETS of LARGE SCALE PLAN 1 inch = 1 mile

1 West Lenses	2 LEGEND	
3 FANTOME Main Lode	4 Northern Ore Bodies	5
6	7	8 East Lenses

YAMPI SOUND MINING CO. LTD.
for
Govt. of Commonwealth of Australia

COMPOSITE PLAN
KOOLAN ISLAND IRON DEPOSITS

Scale : 1 inch = 1000 feet
Contour interval : 100 feet

Main Lode from A.G. and G.S. of N.A. Plan
Northern ore bodies by F.G.F. and F.A.M.