



Western Australia

# **Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972**

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Western Australia

# Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972

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## **Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972**

**An Act to authorise the execution on behalf of the State of an agreement with Consolidated Gold Fields Australia Limited, Cyprus Mines Corporation, Utah Development Company, Hancock Prospecting Pty. Ltd., Wright Prospecting Pty. Ltd. and M.I.M. Holdings Limited relating to the exploration for and the development and treatment of iron ore and for incidental and other purposes.**

**1. Short title**

This Act may be cited as the *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972*<sup>1</sup>.

**2. Execution of agreement authorised**

The execution by the Premier of the State of Western Australia acting for and on behalf of the State of an agreement in or substantially in accordance with the form set out in Schedule 1 is authorised.

*[Section 2 amended by No. 45 of 1986 s. 4.]*

**3. Executed agreement to operate and take effect**

When the agreement referred to in section 2 is duly executed by all the parties thereto, the agreement (in this Act called "**the Principal Agreement**") shall, subject to its provisions, operate and take effect as though those provisions were enacted in this Act.

*[Section 3 amended by No. 45 of 1986 s. 5.]*

**4. First Variation Agreement**

- (1) The agreement (in this section called “**the first Variation Agreement**”), a copy of which is set out in Schedule 2, is ratified and its implementation is authorised.
- (2) Without limiting or otherwise affecting the application of the *Government Agreements Act 1979*, the first Variation Agreement shall operate and take effect notwithstanding any other Act or law.
- (3) Without limiting section 3, on the commencement of the *Iron Ore (McCamey's Monster) Agreement Authorisation Amendment Act 1986*<sup>1</sup> the Principal Agreement, as amended by the first Variation Agreement, shall, subject to its provisions, operate and take effect as though those provisions were enacted in this Act.

*[Section 4 inserted by No. 45 of 1986 s. 6; amended by No. 29 of 1994 s. 8.]*

**5. Second Variation Agreement**

- (1) The agreement (in this section called “**the second Variation Agreement**”), a copy of which is set out in Schedule 3, is ratified and its implementation is authorised.
- (2) Without limiting or otherwise affecting the application of the *Government Agreements Act 1979*, the second Variation Agreement shall operate and take effect notwithstanding any other Act or law.
- (3) Without limiting section 3, on the commencement of the *Acts Amendment (Mount Goldsworthy, McCamey's Monster and Marillana Creek Iron Ore Agreements) Act 1994*<sup>1</sup>, the Principal Agreement, as amended by the first Variation Agreement and the second Variation Agreement, shall, subject to its provisions, operate and take effect as though those provisions were enacted in this Act.

*[Section 5 inserted by No. 29 of 1994 s. 9.]*

**6. Third Variation Agreement**

- (1) The agreement (*third Variation Agreement*) a copy of which is set out in Schedule 4 is ratified.
- (2) The implementation of the third Variation Agreement is authorised.
- (3) Without limiting or otherwise affecting the application of the *Government Agreements Act 1979*, the third Variation Agreement is to operate and take effect despite any other Act or law.
- (4) Without limiting section 3, on the commencement of the *Acts Amendment (Iron Ore Agreements) Act 2000*<sup>1</sup>, the Principal Agreement, as amended by the first Variation Agreement, the second Variation Agreement and the third Variation Agreement, is to operate as if it were enacted in this Act.

*[Section 6 inserted by No. 57 of 2000 s. 13.]*

**7. Variation of Agreement to increase rates of royalty**

- (1) In this section —  
*the Agreement* means the Principal Agreement —
  - (a) as varied from time to time in accordance with its provisions; and
  - (b) as varied by these agreements —
    - (i) the first Variation Agreement;
    - (ii) the second Variation Agreement;
    - (iii) the third Variation Agreement.
- (2) Clause 31(1) of the Agreement is varied —
  - (a) in paragraph (aa)(ii) by deleting “3.75%” and inserting —  
  
5.625%

- (b) after paragraph (aa) by inserting —
  - (ab) on iron ore products being fine ore and fines where such fine ore or fines are sold or shipped separately as such — at the rate of 5.625% of the f.o.b. revenue (computed as mentioned in paragraph (a) of this subclause);
  - (ac) on iron ore products being iron ore concentrates — at the rate of 5% of the f.o.b. revenue (computed as mentioned in paragraph (a) of this subclause);
  
- (3) Clause 31(1)(aa)(ii) of the Agreement as varied, and clause 31(1)(ab) and (ac) as inserted in the Agreement, by subsection (2) operate and take effect despite —
  - (a) any other provision of the Agreement; and
  - (b) any other agreement or instrument; and
  - (c) any other Act or law.
  
- (4) Nothing in this section affects the amount of royalty payable under clause 31 of the Agreement in respect of any period before the commencement of the *Iron Ore Agreements Legislation Amendment Act 2010 Part 5*.  
*[Section 7 inserted by No. 34 of 2010 s. 11.]*





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- (b) Research is being conducted by the Joint Venturers with the object of establishing satisfactory ore crushing, screening, and upgrading procedures in the treatment of iron ore.
- (c) The Joint Venturers are conducting engineering studies as to the technical feasibility of the construction of a railway between the mining areas and possible port sites.

NOW THIS AGREEMENT WITNESSETH as follows —

**Definitions<sup>2</sup>**

1. In this Agreement subject to the context —

“apply”, “appoint”, “approve”, “approval”, “consent”, “certify”, “direct”, “notify”, “require”, or “request” means apply, appoint, approve, approval, consent, certify, direct, notify, require, or request in writing as the case may be;

“approved proposals” means proposals which are approved by the Minister as provided in paragraph (a) of subclause (1) of Clause 8 and proposals which are deemed to have been approved as provided in paragraph (b) of subclause (6) of Clause 8;

“associated company” means —

- (a) any company notified by the Joint Venturers or any of them to the Minister which has a paid-up capital of not less than two million dollars and is incorporated in the United Kingdom, the United States of America, or the Commonwealth of Australia and which —
  - (i) is promoted by the Joint Venturers or any of them for all or any of the purposes of this Agreement and in which the Joint Venturers or any of them hold not less than twenty per centum of the issued ordinary share capital or —
  - (ii) is related within the meaning of the term “subsidiary” in section 6 of the *Companies Act 1961* to any company in which the Joint Venturers or any of them hold not less than twenty per centum of the issued ordinary share capital and —
- (b) any other company which the Minister approves as an associated company for the purposes of this Agreement.

“Clause” means a clause of this Agreement.

“commencement date” means the date on which this Agreement is executed by all the parties hereto;

“Commission” means the State Electricity Commission of Western Australia;

“Commonwealth” means the Commonwealth of Australia and includes the Government thereof for the time being;

“direct shipping ore” means iron ore which has an average pure iron content of not less than sixty per centum which will not pass through a 6 millimetre mesh screen and which is sold without concentration or other beneficiation other than crushing and screening;

“export date” means the date on which the ship carrying the first shipment of iron ore products shipped by the Joint Venturers under this Agreement (other than iron ore shipped solely for testing purposes) sails from the port at which it has been loaded;

“financial year” means a year commencing on and including the 1st day of July;

“fine ore” means iron ore which has an average pure iron content of not less than sixty per centum which will pass through a 6 millimetre mesh screen and which is sold without concentration or other beneficiation other than crushing and screening;

“fines” means iron ore (not being direct shipping ore or fine ore) which will pass through a 6 millimetre mesh screen;

“f.o.b. revenue” means the price for iron ore products the subject of any shipment or sale which is payable by the purchaser thereof to the Joint Venturers or an associated company, less all export duties and export taxes payable on such iron ore products and less all costs and charges properly incurred and payable on such iron ore products by the Joint Venturers or an associated company to the State or a third party from the time when the iron ore products are placed on ship at the Joint Venturers' wharf to the time when the iron ore products are delivered and accepted by the purchaser, there being included in such costs and charges —

- (1) ocean freight;

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- (2) marine insurance;
- (3) port and handling charges at port of discharge;
- (4) costs of delivery from port of discharge to a smelter nominated by the purchaser;
- (5) weighing, sampling, assaying, inspection and representation costs incurred on discharge or delivery;
- (6) shipping agency charges;
- (7) import taxes payable to the country of the port of discharge;
- (8) demurrage incurred after loading and at port of discharge; and
- (9) such other costs and charges as the parties (having regard *inter alia* to such matters as the parties to and the *bona fide* nature of the transaction as the result of which the cost or charge was incurred) shall agree to include or failing agreement as fixed by arbitration as hereinafter provided.

For the purpose of this definition —

- (a) the Minister may from time to time in respect of any of the costs or charges mentioned in items (1) to (9) (inclusive) above incurred in relation to any particular shipment or sale notify the Joint Venturers that he does not regard the cost or charge as being properly incurred and in that event should the Joint Venturers disagree with the Minister's decision they may refer the matter in question to arbitration as hereinafter provided but unless and until it is otherwise determined such cost or charge shall be treated as being not properly incurred and if otherwise determined the State will refund to the Joint Venturers any royalty paid by the Joint Venturers on the basis that the charge was not properly incurred;
- (b) notwithstanding anything contained in this definition to the contrary, a cost or charge as set out in items (1) to (8) inclusive or this definition shall not (unless and until the Minister so determines) be deemed to be properly incurred if such charge is directly or indirectly imposed

upon or incurred by the Joint Venturers or an associated company pursuant to an arrangement entered into between the Joint Venturers and the State;

- (c) in the event of the parties failing to agree to the inclusion of a cost or charge which might be included pursuant to item (9) and referring the matter to arbitration then unless and until it is otherwise determined such cost or charge shall be excluded but if it is determined that the same should be included the State shall refund to the Joint Venturers any royalty paid by reason of the same having been excluded;

“integrated iron and steel industry” means an industry for the manufacture of iron and steel or for the manufacture of steel from iron ore by a process which does not necessarily involve the production of pig iron or basic iron in the production of steel;

“iron ore” means iron ore from the mining areas;

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

“iron ore pellets” means iron ore in pellet or other form produced by pelletisation or a more advanced reduction or other treatment or process from iron ore mined on the mineral lease;

“iron ore products” is an inclusive term covering iron ore of all grades obtained from the mineral lease and also all products produced by secondary and tertiary processing any part of such iron ore;

“Joint Venturers’ wharf” means any wharf utilised by the Joint Venturers for the purpose of shipping iron ore products produced as the result of the operation of this Agreement and whether the same be a wharf constructed by or on behalf of the Joint Venturers a wharf used by the Joint Venturers in conjunction with another or others (including the State) or any temporary structure approved by the Minister as the Joint Venturers’ wharf for the time being for the purposes of this Agreement;

“Land Act” means the *Land Act 1933*;

“locally used ore” means iron ore used by the Joint Venturers or an associated company within the Commonwealth for secondary

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processing or in an integrated iron and steel industry or any plant for the production of steel;

“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 percentum;

“mineral lease” means the mineral lease or mineral leases referred to in Clause 11(1) and includes any renewal thereof and where the context so permits shall describe the area of land demised as well as the instrument by which it is demised;

“mine townsite” means a townsite or townsites established by the Joint Venturers on or near the mining areas pursuant to this Agreement and may include any existing townsite approved by the Minister;

“Mining Act” means the *Mining Act 1904*;

“mining areas” means the area delineated and coloured blue on the plan marked “A” initialled by or on behalf of the parties for the purpose of identification and comprising Temporary Reserves Nos. 4194H, 4326H, 5004H and 5006H;

“Minister” means the Minister of the Government of the said State for the time being responsible for the administration of this Agreement;

“Minister for Mines” means the Minister in the Government of the said State for the time being responsible for the administration of the Mining Act;

“month” means calendar month;

“notice” means notice in writing;

“ore” means iron ore;

“parties” means the parties to this Agreement;

“person” or “persons” includes bodies corporate;

“the port” means a new port to be established in implementation of proposals made by the Joint Venturers pursuant to Clause 7 whether the same be established by the Joint Venturers exclusively or by them in conjunction with another or others (including the State) and should no such new port be established the term means any existing port developed or used by the Joint Venturers for the purposes of this Agreement by arrangement with another or others

(including the State) and in either case the term extends to and includes as well as the land upon which the Joint Venturers' wharf is erected also the adjacent land serving the Joint Venturers' wharf and the adjacent land on which it is proposed to locate or on which could be located or in fact is located secondary and tertiary processing plants crushing grinding and screening facilities stockpiling yards electric power generating plant petroleum storage and other ancillary facilities;

“port townsite” means the townsite to be expanded or developed near the port;

“said State” means the State of Western Australia;

“secondary processing” means the concentration or other beneficiation of iron ore otherwise than by crushing or screening and includes thermal electrostatic magnetic and gravity processing and the production of pellets iron ore concentrates metallised agglomerates and sponge iron;

“steel” means steel in the form of steel billets or manufactured steel products;

“tertiary processing” means the production of pig iron by blast furnace smelting the production of steel by any means whatsoever and the further processing of steel into special shapes and alloys;

“this Agreement” “hereof” and “hereunder” includes this Agreement as from time to time added to varied or amended;

“tonne” means a tonne of one thousand kilograms net dry weight;

“Transfer of Land Act” means *Transfer of Land Act 1893*;

“wharf” includes any jetty structure;

“Year 1” means the year next following the export date and “year” followed immediately by any other numeral has a corresponding meaning.

## **Interpretation<sup>2</sup>**

2. (1) In this Agreement —
  - (a) monetary references are references to Australian currency unless otherwise specifically expressed;

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- (b) power given under any clause other than Clause 46 to extend any period or date shall be without prejudice to the power of the Minister under Clause 46;
- (c) marginal notes do not affect the interpretation or construction<sup>2</sup>; and
- (d) reference to an Act includes the amendments to that 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.

(2) Where any provision of this Agreement constitutes an Agreement or undertaking by one of the parties to make a payment or to perform some act or to carry out some obligation or to assume some responsibility or liability or to grant some right concession or advantage that party shall by its execution hereof be deemed to have covenanted and agreed with the other party accordingly.

(3) The State and the Minister shall be deemed to have power and authority to exercise all such powers and discretions and to do all such other acts matters and things as may be required or be necessary to be exercised or done in order to carry out and give effect to the provisions of this Agreement and in particular the State and the Minister shall be deemed to have power —

- (i) to close or vary the alignments or boundaries of any public road and —
- (ii) to resume as and for a public work any land or other estate right or interest in land.

**Effect on existing Acts<sup>2</sup>**

3. (1) As from the date hereof all the provisions of this Agreement shall operate and take effect notwithstanding the provisions of any other Act or any law to the contrary and for the purposes of this Agreement and without limiting the generality of the foregoing the undermentioned Acts shall be deemed modified and amended to the extent indicated namely —

- (a) the Mining Act — by deleting Sections 277 and 282 thereof;
- (b) the Land Act —
  - (i) by deleting subsections (1) and (2) of Section 45A thereof and by substituting the following —

“45A. (1) Notwithstanding anything contained in the last preceding Sections of this Part (Part IV) of



this Act the Governor may dispense with the requirements thereof as to the sale of town or country lands and may approve of any lot being offered for sale or for leasing in the manner prescribed in subsection (2) of this Section;

(2) Upon the Governor signifying approval pursuant to subsection (1) of this Section in respect of any such lands the Minister may offer the said lands or any part thereof for sale or may grant leases or licences thereof for such price or prices and for such period or periods (including rights of renewal) and upon and subject to such other terms and conditions and in such form as the Minister may think fit provided that the price period or other terms and conditions shall not be inconsistent with the provisions of any agreement executed by the Premier of the State of Western Australia acting for and on behalf of the said State pursuant to the authority in that behalf given by an Act of the Parliament of the said State.”

- (ii) by deleting the proviso to Section 116 thereof;
- (iii) by deleting Sections 135 and 143 thereof;
- (c) the Public Works Act — by deleting subsections (2) to (7) inclusive of Section 17 thereof and also the whole of Section 17A thereof;
- (d) Section 82 of the Mining Act and Section 81D of the Transfer of Land Act shall not apply to a mortgage or charge in the form commonly known as a floating charge given by the Joint Venturers or an associated company pursuant to Clause 40 or to a transfer or assignment in exercise of a power of sale contained in any such mortgage or charge;
- (e) no lease sublease licence or other title or right granted or assigned under or pursuant to this Agreement shall be subject to or capable of partition and the provisions of Part XIV of the *Property Law Act 1969* shall not apply thereto.

**Right to enter Crown land<sup>2</sup>**

4. To the extent reasonably necessary for the purpose of the investigations and studies and subject to the adequate protection of the environment (including

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flora and fauna) and the affected land and improvements thereon the State shall permit the Joint Venturers to enter into and upon Crown land other than the mining areas (including the lands the subject of a pastoral lease) and to survey possible sites for their proposed operations under this Agreement.

**Rights of occupancy of mining areas<sup>2</sup>**

5. As soon as practicable after the commencement date the State shall upon application by the Joint Venturers cause to be granted to the Joint Venturers the sole and exclusive right to search and prospect for iron ore in the mining areas (but excluding therefrom any existing prospecting areas, claims, leases, or authorised holdings under the Mining Act and any land alienated or in the course of alienation and any land reserved (not being Crown land within the meaning of the Mining Act)) by granting to the Joint Venturers rights of occupancy pursuant to section 276 of the Mining Act over the Temporary Reserves contained in the mining areas for the period and upon and subject to the following terms and conditions —

**Existing rights to be surrendered<sup>2</sup>**

- (a) the rights of occupancy shall be granted subject to the condition precedent that the Joint Venturers acquire by transfer all existing rights of occupancy in respect of the mining areas and surrender them to the Minister for Mines;

**Period of rights of occupancy<sup>2</sup>**

- (b) the rights of occupancy shall be for a period expiring five years after the commencement date;

**Consideration for rights of occupancy<sup>2</sup>**

- (c) the Joint Venturers shall within one month after the commencement date and thereafter on the first and every subsequent anniversary of the commencement date during the continuance of the period of the rights of occupancy pay to the State as consideration for the rights of occupancy in advance an annual fee of one thousand dollars for each Temporary Reserve comprised in the mining areas and in addition ten dollars and four cents for each square kilometre or part of a square kilometre of the mining areas for the time being subject to the rights of occupancy;

**Obligation to prospect<sup>2</sup>**

- (d) the Joint Venturers shall (in so far as they have not already done so) at their expense and in accordance with a programme first approved by the Minister for Mines prospect the mining areas to the satisfaction of the Minister for Mines during the term of such rights;

**Reports<sup>2</sup>**

- (e) the Joint Venturers shall during the term of the rights of occupancy furnish to both the Minister and the Minister for Mines an annual report on all operations carried out in the mining areas by or on behalf of the Joint Venturers;

**Other mining tenements<sup>2</sup>**

- (f) the Minister for Mines may grant to any person (including the Joint Venturers) mining tenements pursuant to the Mining Act for any mineral other than iron ore within the mining areas if the Minister is satisfied that such grant would be unlikely to materially prejudice or interfere with the Joint Venturers' operations under this Agreement;

**Determination of occupancy<sup>2</sup>**

- (g) the rights of occupancy shall forthwith cease and determine on the happening of any of the following events namely —
  - (i) upon the Joint Venturers by notice to the Minister relinquishing the same; or
  - (ii) upon the period of the rights of occupancy expiring by effluxion of time; or
  - (iii) upon the State granting to the Joint Venturers a mineral lease pursuant to Clause 11 (notwithstanding that the instrument of such lease may not be issued); or
  - (iv) upon the Joint Venturers making default in the due and punctual payment of any annual fee payable pursuant to paragraph (c) of this Clause and failing to comply with a notice from the State specifying such default and calling upon the Joint Venturers to remedy the same within a period of fourteen days of the service of such notice; or

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- (v) upon the Joint Venturers making default in the due performance or observance of any of the other of the terms and conditions upon and subject to which the rights of occupancy were granted and failing to comply with a notice from the State specifying such default and calling upon the Joint Venturers to remedy the same within a period of fourteen days of the service of such notice; and

**Surrender of areas<sup>2</sup>**

- (h) notwithstanding the provisions of paragraph (b) of this Clause the Joint Venturers may from time to time (with abatement of future annual fees in respect of the area surrendered but without abatement of annual fees already paid or annual fees which have become due and have been paid in advance) surrender to the State all or any portion or portions (of reasonable size and shape) of the mining areas.

**Investigations and studies<sup>2</sup>**

6. (1) The Joint Venturers shall insofar as they have not already done so to the satisfaction of the Minister, commence forthwith and carry out at their expense (with the assistance of experienced consultants where appropriate) —

- (a) a thorough geological and (as necessary) geophysical investigation and proving of the iron ore deposits in the mining areas and the testing and sampling of such deposits;
- (b) a reconnaissance of sites of the operations proposed pursuant to this Agreement together with the preparation of suitable maps and drawings;
- (c) an engineering investigation of the route for a railway from the mining areas to the port or (in consultation with the owner) to connect with any existing or proposed railway operated or to be operated by any other party under an agreement with the State;
- (d) a general survey and preliminary engineering investigation of possible port sites in the vicinity of Port Hedland, Cape Lambert and the Dampier Archipelago including Legendre Island;

- (e) a study of the technical and economic feasibility of the mining transporting handling and shipping of iron ore from the mining areas;
- (f) the planning for the development of a suitable mine townsite and a suitable port townsite (including design of housing utilities and associated facilities and social cultural and civic facilities) in consultation with the State having due regard to the possible or probable use of the same by others as well as the Joint Venturers;
- (g) the investigation, in areas approved by the Minister (which approval shall not be unreasonably withheld) of suitable water supplies for mining industrial and mine townsite purposes;
- (h) metallurgical and market research; and
- (i) an assessment of the environmental effects likely to result from operations pursuant to this Agreement together with outlines of proposals to minimise any deleterious effects on the environment;

**Port investigations <sup>2</sup>**

(2) After consultation with the Minister concerning the result of the investigations and surveys mentioned in paragraph (d) of subclause (1) of this Clause the Joint Venturers shall employ or retain experienced consultant engineers to investigate report upon and make recommendations as to the best overall development of a port at such location as appears to be most suitable. The Joint Venturers shall require such engineers when making such report and recommendations to have full regard for the general development of the port with a view to its reasonable use by others and the Joint Venturers shall furnish to the State copies of such reports and recommendations. When submitting to the Minister pursuant to Clause 7 detailed proposals in regard to the matters mentioned in this subclause the Joint Venturers shall so far as reasonably practicable ensure that the detailed proposals —

- (a) do not materially depart from the reports and recommendations of such engineers;
- (b) provide for the best overall development of the port so far as the same relates to the Joint Venturers' activities;
- (c) disclose any conditions of user; and

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(d) where alternative proposals are submitted the Joint Venturers' preferences in regard thereto;

(3) The Joint Venturers shall collaborate with and keep the State fully informed by quarterly reports as to the progress and results of the Joint Venturers' operations under subclauses (1) and (2) of this Clause. The Joint Venturers shall as and when the Minister may reasonably require furnish the Minister with copies of all appropriate reports received by them from consultants in connection with the matters referred to in this Clause and with copies of all relevant findings made and reports prepared by them.

**State investigations<sup>2</sup>**

(4) If the State concurrently carries out its own investigations and reconnaissances in regard to all or any of the matters mentioned in subclauses (1) and (2) of this Clause the Joint Venturers shall co-operate with the State therein and so far as it is reasonably practicable so to do shall consult with the representatives or officers of the State and make full disclosures and give expressions of opinion regarding the matters referred to in those subclauses.

**State assistance<sup>2</sup>**

(5) The State shall if required assist the Joint Venturers in completing their investigations and studies pursuant to this Clause and shall furnish such advice and commentaries as the Joint Venturers may require and as may be practicable for the State so to do.

**Joint Venturers' proposals<sup>2</sup>**

7. (1) As soon as practicable after the completion of the investigations mentioned in Clause 6 the Joint Venturers shall submit to the Minister proposals as to the location of the port and an outline in sufficient detail to enable the Minister to satisfy himself as to the suitability, technical feasibility and practicability, of the proposed development of the port (having regard to the matters mentioned in paragraph (a) of subclause (2) of this Clause). The Minister shall within two months after such submission notify the Joint Venturers whether he approves or otherwise of such proposals or the Minister may within that time himself suggest an alternative proposal. If the Minister does not approve of the Joint Venturers' proposals or if he himself submits an alternative proposal the Minister shall disclose his reasons for so doing in the said notice and afford the Joint Venturers ample opportunity to consult with him and themselves to submit further or alternative proposals and to consider any alternative proposal suggested by the Minister. When considering any of the

Joint Venturers' proposals and in making his own proposal the Minister shall have regard to the possible future requirements of others (including the State) and no preference or other priority shall be given to the Joint Venturers or their proposals by reason only that the proposals were submitted for consideration before proposals from any other party.

**Detailed proposals<sup>2</sup>**

(2) Subject to the proposals or any alternative proposals as to the location and development of the port being approved the Joint Venturers shall on or before the fifth anniversary of the commencement date or on or before such later date as the Minister may approve or as may be determined by arbitration as hereinafter provided submit to the Minister detailed proposals which shall include (where practicable) appropriate plans and (where reasonably required by the Minister) appropriate specifications in respect of the mining of iron ore on and the future development of the mining areas (or so much thereof as is likely to be comprised in the mineral lease mentioned in Clause 11) and detailed particulars as to the measures proposed to be taken for the protection of the environment should the said proposal be approved or deemed to be approved and also (to the fullest extent reasonably practicable) detailed particulars as to the location area layout design number materials to be used in and time programme for the commencement and completion of the construction or the provision (as the case may be) of each of the following matters —

- (a) (to the extent not already covered by the proposals mentioned in subclause (1) of this Clause) the port and port development including the dredging thereof and the disposal and depositing of the spoil the provision of navigational aids and a fair contribution to their maintenance, the Joint Venturers' wharf, the berth and swinging basin proposed in connection with the Joint Venturers' use thereof and the port installations facilities and services to be available all of which are to be of such nature and extent as to be capable of and suitable for adaptation to permit use of the Joint Venturers' wharf by ships having a capacity to carry 60,000 tonnes of iron ore;
- (b) the railway from the mining areas to the port or to connect with an existing railway and its proposed operation including joint user conditions (if any) fencing (if any) crossing places and grade separation or other forms of acceptable protection at intersections with public roads;

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- (c) the development of the mine townsite and the port townsite including services and facilities in relation thereto;
- (d) housing;
- (e) water supply;
- (f) roads;
- (g) generation transmission and distribution of electricity;
- (h) airfields;
- (i) the leases licences or other tenures of land jetty structures and mooring areas (if any) required from the State;
- (j) disposal of waste materials;
- (k) drainage;
- (l) dust control measures; and
- (m) any other works, services or facilities proposed or required by the Joint Venturers.

**Order of proposals<sup>2</sup>**

(3) The proposals may and shall if so required by the State be submitted separately and in any order as to the matter or matters mentioned in one or more of paragraphs (a) to (m) of subclause (2) of this Clause.

**Use of existing infrastructure<sup>2</sup>**

(4) The proposals relating to any of the matters mentioned in subclause (2) of this Clause may with the agreement of the Minister and that of any third parties concerned instead of providing for the construction of new facilities of the kind therein mentioned provide for the use by the Joint Venturers upon reasonable terms and conditions of any existing facilities of such kind.

**Marketing and financial arrangements<sup>2</sup>**

(5) At the time when the Joint Venturers submit the said proposals they shall furnish to the Minister's reasonable satisfaction evidence of —

- (a) marketing arrangements demonstrating the Joint Venturers' ability to sell iron ore and iron ore products in accordance with the said proposals;
- (b) the availability of finance necessary for the fulfilment of the operations to which the said proposals refer; and



- (c) the readiness of the Joint Venturers to embark upon and proceed to carry out the operations referred to in the said proposals.

**Port Location<sup>2</sup>**

(6) Notwithstanding anything contained in this Agreement the State's determination in respect of the Joint Venturers' proposals relating to the location of the port and in respect of proposals relating to the development of the port (in so far as such proposals concern the development of the port for use by or in conjunction with others) and the location of the port townsite shall be final and no such determination may be referred to arbitration by the Joint Venturers.

**Consideration of proposals<sup>2</sup>**

8. (1) On receipt of the said proposals the Minister may —
- (a) approve of the said proposals either wholly or in part without qualification or reservation; or
  - (b) defer consideration of or decision upon the same until such time as the Joint Venturers submit a further proposal or proposals in respect of some other of the matters mentioned in subclause (2) of Clause 7 not covered by the said proposals; or
  - (c) require as a condition precedent to the giving of his approval to the said proposals that the Joint Venturers make such alteration thereto or comply with such conditions in respect thereto as he (having regard to the circumstances including the overall development of and the use by others as well as the Joint Venturers of all or any of the facilities proposed to be provided) thinks reasonable and in such a case the Minister shall disclose his reasons for such conditions.

**Advice of Minister's decision<sup>2</sup>**

(2) The Minister shall within two months after receipt of the said proposals give notice to the Joint Venturers of his decision in respect to the same, and shall disclose to the Joint Venturers by such notice the reasons for such decision.

**Consultation with Minister<sup>2</sup>**

(3) If the decision of the Minister is as mentioned in either of paragraphs (b) or (c) of subclause (1) of this Clause the Minister shall afford the

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Joint Venturers full opportunity to consult with him and should they so desire to submit new proposals either generally or in respect to some particular matter.

**Ministers' decision subject to arbitration<sup>2</sup>**

(4) If the decision of the Minister is as mentioned in the said paragraph (c) and the Joint Venturers consider that the condition precedent is unreasonable the Joint Venturers may within two months after receipt of the notice mentioned in subclause (2) of this Clause elect to refer to arbitration in the manner hereinafter provided the question of the reasonableness of the condition precedent.

**Reasonableness of Minister's decision<sup>2</sup>**

(5) In addition to any other matter to which the arbitrator is required (whether pursuant to the provisions of Clause 49 or otherwise) to have regard in considering the reasonableness of any decision of the Minister made pursuant to subclause (1) of this Clause the Minister shall not be regarded to have acted unreasonably if he shall defer his decision on a proposal made in relation to the matters mentioned in paragraph (i) of subclause (2) of Clause 7 until the said proposals in relation to the matters mentioned in the other paragraphs of subclause (2) of Clause 7 have become or are deemed to have become approved proposals and the Joint Venturers have complied with the provisions of subclause (5) of Clause 7.

**Arbitration Award<sup>2</sup>**

(6) An award made on an arbitration pursuant to subclause (4) of this Clause shall have force and effect as follows —

- (a) if by the award it is adjudged that the condition precedent is reasonable then the decision of the Minister in respect to the said proposals shall stand; or
- (b) if by the award it is adjudged that the condition precedent is unreasonable then the said proposals shall be deemed to have been approved by the Minister in the form in which the same were submitted.

**Additional proposals<sup>2</sup>**

9. (1) If the Joint Venturers at any time during the continuance of this Agreement desire to modify expand or otherwise vary their activities beyond those specified in any approved proposals they shall give notice of such desire to the Minister and within two months thereafter shall submit to the Minister detailed proposals in respect of all matters covered by such notice and such of the

other matters mentioned in paragraphs (a) to (m) of subclause (2) of Clause 7 as the Minister may require. The provisions of Clauses 7 and 8 shall *mutatis mutandis* apply to detailed proposals submitted pursuant to this subclause.

**Basis of submission<sup>2</sup>**

(2) In the event of the Joint Venturers submitting detailed proposals pursuant to subclause (1) of this Clause or if as a consequence of their submitting detailed proposals pursuant to Clause 33 the Minister requires further detailed proposals to be submitted on any of the said matters mentioned in paragraphs (a) to (m) of subclause (2) of Clause 7 then subject as provided in subclause (3) of this Clause the additional proposals shall be submitted on the basis that should the same become approved proposals the provisions of Clause 25 shall apply *mutatis mutandis* in respect of any increase in the extent of the services and facilities mentioned in subclause (1) of Clause 25 and also in respect of the provision of the additional services or facilities (whether of the kind mentioned in subclause (1) of Clause 25 or not) occasioned in either case by the additional proposals becoming approved proposals.

**Determination of extent of Joint Venturers' obligations<sup>2</sup>**

(3) The extent of the Joint Venturers responsibilities under Clause 25 to provide the capital cost of and to maintain any increased or additional services and facilities of the kind mentioned in subclause (1) of that Clause occasioned by the additional proposals or any of them becoming approved proposals shall be determined by the Minister after discussion and negotiation on such matters with the Joint Venturers and in making such determination the Minister shall have regard *inter alia* to the current and anticipated composition of any mining or other town affected and the extent to which the ordinary responsibilities of the State with respect to the provision of the capital cost of such services and facilities are to be assumed by the State in the light of the State's current capital resources at that time.

**Determination before implementation of proposals<sup>2</sup>**

10. In any of the following events namely —
- (a) if all of the rights of occupancy cease and determine pursuant to the provisions of paragraph (g) of Clause 5 (other than subparagraph (iii)); or
  - (b) if the Joint Venturers give to the State notice of their intention to abandon or discontinue the investigations and the studies; or

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- (c) if the Joint Venturers fail within the time (or any extension thereof) limited by subclause (2) of Clause 7 to submit any proposals and fail to satisfy the Minister that they are then diligently and actively conducting the necessary investigations and studies incidental to the preparation of the proposals; or
- (d) if the effect of an award made upon an arbitration under subclause (4) of Clause 8 is that the decision of the Minister is to stand and the Joint Venturers fail within three months after the making of the award to give notice that they accept the same and propose forthwith to implement the proposals in respect of which the award was made —

the State may give to the Joint Venturers one month's notice determining this Agreement and on the expiration of such notice this Agreement shall cease and determine and neither party shall have any claim against the other in respect of any matter or thing arising out of or done or performed or omitted to be done or performed under this Agreement except as provided under Clause 43.

**Mineral Lease<sup>2</sup>**

11. (1) As soon as practicable after the said proposals become approved proposals and the Joint Venturers have complied with the provisions of subclause (5) of Clause 7 the State shall in accordance with the relevant approved proposal on the application of the Joint Venturers cause to be granted to them a mineral lease in the form set out in the Schedule to this Agreement for the mining of iron ore from such part or parts of the land comprised in the mining areas as is or are then subject to the rights of occupancy and referred to in the said proposals. The following provisions shall apply to the mineral lease —

**Provisions<sup>2</sup>**

- (a) the total area of the land the subject thereof shall not exceed seven hundred and seventy seven square kilometres;
- (b) the boundaries of the land comprising such area shall be so located as to form either a single parallelogram or a number of parallelograms;
- (c) the rent reserved thereby shall be that fixed in subclause (4) of this Clause;

- (d) the Joint Venturers shall therein covenant to pay to the State in addition to the said rent the royalties fixed in Clause 31;
- (e) subject to the due payment by the Joint Venturers of the said rent and royalties and to the due performance and observance by them of their other obligations thereunder and of their obligations under this Agreement the term thereof will be twenty one years as from the date of the granting thereof but the Joint Venturers shall during the continuance of this Agreement have the right to take successive renewals of the said term each for a period of twenty one years upon the same terms and conditions subject to the sooner determination of the said term upon the cessation or determination of this Agreement. The said right shall be exercisable by the Joint Venturers making written application for any such renewal not later than one month before the expiration of the current term of the mineral lease;
- (f) subject to paragraphs (a) to (e) inclusive of this subclause and as in this Agreement otherwise provided all relevant provisions of the Mining Act and the Regulations thereunder will apply but subject to their discharging and carrying out their obligations under this Agreement the Joint Venturers shall not be required to comply with the labour conditions imposed by the said Act in respect of mineral leases.

**Survey<sup>2</sup>**

(2) The State shall cause to be made any survey necessary to define the area and boundaries of the land to be comprised in the mineral lease and the Joint Venturers shall upon demand made on or after the completion of such survey pay to the State the cost thereof. The Minister for Mines may decline to issue the instrument for the mineral lease until such survey is completed.

**Surrender of part of mineral lease<sup>2</sup>**

(3) Notwithstanding the provisions of paragraph (e) of subclause (1) of this Clause the Joint Venturers may from time to time (with abatement of future rent in respect to the area surrendered but without any abatement of rent already paid or any rent which has become due and has been paid in advance) surrender to the State all or any portion or portions (of reasonable size and shape) of the mineral lease.

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**Rent<sup>2</sup>**

(4) The rent payable by the Joint Venturers under the mineral lease shall be an annual rent (payable annually in advance) of a sum equal to 1.7297 dollars per hectare per annum calculated on the total area of land for the time being the subject of the mineral lease. The said rent shall run as from the date of the granting of the mineral lease and the first payment of rent shall become due and payable within one month of the grant of the mineral lease notwithstanding that the survey mentioned in subclause (2) of this Clause may not have been commenced or completed or the instrument for the mineral lease may not have been issued.

**Rights to other minerals<sup>2</sup>**

(5) The State shall to such extent as may be reasonably practicable on the application of the Joint Venturers from time to time grant to the Joint Venturers or assist them in obtaining the grant of leases and other rights for limestone, dolomite, granite, diorite, silica sand and other minerals and substances reasonably required by the Joint Venturers for the purposes of this Agreement.

**Other mining tenements<sup>2</sup>**

(6) The State shall not during the continuance of this Agreement register any claim or grant any lease or other mining tenement under the Mining Act or otherwise whereby any person other than the Joint Venturers might under the laws relating to mining or otherwise obtain any rights to mine or take natural substances (other than petroleum as defined by the *Petroleum Act 1967*) from within the mineral lease unless the Minister reasonably determines that the registration or grant is not likely materially to prejudice or interfere with the Joint Venturers' operations hereunder.

**Access over mineral lease<sup>2</sup>**

(7) The Joint Venturers shall at all times permit the State and third parties (with or without stock vehicles and rolling stock) to have access to and to pass over the mineral lease (by separate route, road or railway) so long as that access and passage does not materially prejudice or interfere with the operations of the Joint Venturers under this Agreement.

**State may resume land<sup>2</sup>**

12. The State may as and for a public work under the *Public Works Act 1902*, resume any land required for the purposes of this Agreement and notwithstanding any other provisions of that Act may sell lease or otherwise dispose of the land to the Joint Venturers. The Joint Venturers shall pay to the State on demand the

costs of and incidental to any land resumed at the request of and on behalf of the Joint Venturers pursuant to this Clause.

**Other Leases<sup>2</sup>**

13. (1) The State shall in accordance with the approved proposals as and when required by the Joint Venturers so to do cause to be granted to the Joint Venturers such other leases of Crown lands as the parties may consider reasonable and necessary for all or any of the following purposes namely town sites, private roads, railway lines and sidings, tailing areas, over-burden areas, water pipelines, pumping installations and reservoirs, airport, power transmission lines and stockpile areas and for any other of the purposes of this Agreement. Such leases shall be granted for such periods at such rentals and upon and subject to such other terms and conditions as shall be reasonable having regard to the obligations of the Joint Venturers under this Agreement.

**Special Leases<sup>2</sup>**

(2) Pursuant to subclause (1) of this Clause the State shall when required by the Joint Venturers so to do cause to be granted to them —

- (a) a special lease (or special leases) of Crown land at the mine townsite for residential, professional, business, commercial and industrial purposes and for the purpose of providing communal facilities. Such special lease shall be granted upon all usual terms and conditions and in particular shall contain the following provisions —
  - (i) the term thereof (unless sooner determined) shall expire on the same date as that on which the term of the mineral lease or any renewal thereof terminates or is determined;
  - (ii) the rental payable thereunder shall be one peppercorn per annum payable if and when demanded;
  - (iii) the Joint Venturers shall have the right during the continuance thereof to purchase (for a price comparable with that charged by the State for other Crown land released for freehold sale in similar towns in the general region of the Joint Venturers' operations) the fee simple of any parcel or lot being part of the land thereby demised on which the Joint Venturers have erected buildings or structures (net

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being dwellings) costing at least ten thousand dollars or dwellings costing at least seven thousand dollars.

- (b) a special lease (or special leases) of Crown land at or near the port for industrial stockpiling, ship loading, power generation and other similar purposes. Such special lease shall be granted upon all usual terms and conditions and in particular shall contain the following provisions —
  - (i) the term thereof shall (unless sooner determined) expire on the same date as that on which the term of the mineral lease or any renewal thereof terminates or is determined;
  - (ii) the rental payable thereunder shall be an annual rental payable in advance of 4.9421 dollars per hectare during the first twenty one years and thereafter shall be reviewed and fixed by agreement between the parties or failing agreement referred to arbitration hereunder at seven year intervals.

**Additional rent**<sup>2</sup>

- (c) notwithstanding the provisions contained in the mineral lease or any other lease granted pursuant to either of paragraphs (a) or (b) of this subclause whereby the rent payable thereunder and the times at which such rent is so payable are fixed the Joint Venturers shall during the continuance of this Agreement from and after the commencement of Year 16 pay to the State as and by way of an additional annual rent to that payable under such one or more of such leases as the Joint Venturers may from time to time at their option in a notice to the State designate a sum equal to 24.6052 cents per tonne on all iron ore products sold and shipped after the commencement of Year 16 in respect of which a royalty is payable under this Agreement such additional rent to be paid at the same times and in the same manner as the said royalty.

**No resumption**<sup>2</sup>

14. The State agrees that subject to the performance by the Joint Venturers of their obligations hereunder the State shall not resume or suffer or permit to be resumed by any instrumentality or by any local or other authority of the said State any portion of the land the subject of any special lease mentioned in



subclause (2) of Clause 13 the resumption of which would materially impede the Joint Venturers' works and activities thereon or any portion of the land the subject of the mineral lease whereon any of the Joint Venturers' works are situate the resumption of which would materially impede the Joint Venturers' mining or other activities thereon nor shall the State create or grant or permit or suffer to be created or granted by an instrumentality or authority of the said State any road right of way or easement of any nature or kind whatsoever over or in respect of the land comprised in the said leases whereon any of the Joint Venturers' works are situate without the consent in writing of the Joint Venturers' first had and obtained which consent the Joint Venturers agree they shall not arbitrarily or unreasonably withhold.

**No discriminatory rates<sup>2</sup>**

15. Except as provided by this Agreement the State shall not impose or permit or suffer any instrumentality of the said State or any local or other authority to impose discriminatory taxes, rates or charges of any nature whatever on or in respect of the titles, property or other assets, products, materials or services used or produced by or through the operations of the Joint Venturers hereunder and the State shall not take or permit any such instrumentality or any local or other authority to take any other discriminatory action that would deprive the Joint Venturers of any rights granted or intended to be granted to them under this Agreement.

**Zoning<sup>2</sup>**

16. The State shall ensure that the mineral lease and any lands the subject of any Crown grant lease licence or easement granted to the Joint Venturers under this Agreement shall be and remain zoned for use or otherwise protected during the currency of this Agreement so that the operations of the Joint Venturers hereunder may be undertaken and carried out thereon without any interference or interruption by the State by any State agency or instrumentality or by any local or other authority of the State on the ground that such operations are contrary to any zoning by-law regulation or order.

**Rating<sup>2</sup>**

17. The State shall ensure that notwithstanding the provisions of any Act or anything done or purported to be done under any Act the valuation of all lands (whether of a freehold or leasehold nature) the subject of this Agreement (except as to any part upon which a permanent residence shall be erected or which is occupied in connection with that residence and except as to any part upon which there stands any improvements that are used in connection with a commercial undertaking not directly related to the mining transportation

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processing and shipment of iron ore or iron ore products) shall for rating purposes under the *Local Government Act 1960* be deemed to be on the unimproved value thereof and no such lands shall be subject to any discriminatory rate, PROVIDED THAT nothing in this Clause shall prevent the Joint Venturers making the election provided for by Section 533B of the *Local Government Act 1960*.

**Construction of plant<sup>2</sup>**

18. The Joint Venturers shall within four years next following the date on which all the said proposals required to be submitted hereunder have become approved proposals or at such later date as the Minister may approve at a cost of not less than sixty million dollars construct install provide and do all things necessary to enable them to mine from the mineral lease to transport by rail to the Joint Venturers' wharf and to commence shipment therefrom in commercial quantities at an annual rate of not less than one million tonnes of iron ore and without lessening the generality of this provision the Joint Venturers shall within the aforesaid period or extended period as the case may be —

- (a) construct install and provide upon the mineral lease or in the vicinity thereof or at the port (as the case may be) mining plant and equipment crushing screening stock-piling and car loading plant and facilities power house workshop and other things of a design and capacity adequate to enable the Joint Venturers to meet and discharge their obligations hereunder and to mine handle load and deal with not less than three thousand tonnes of iron ore per day such capacity to be built up progressively to not less than ten thousand tonnes of iron ore per day within three years next following the export date;

**Commencement of operations<sup>2</sup>**

- (b) actually commence to mine transport by rail and ship from the Joint Venturers' wharf iron ore from the mineral lease so that the average annual rate during the first two years after export date shall not be less than one million tonnes.

**Construction of Railway<sup>2</sup>**

19. (1) Subject to the State having assured to the Joint Venturers all necessary rights in or over Crown Lands available for the purpose the Joint Venturers shall in a proper and workmanlike manner and in accordance with recognised standards for railways of a similar nature operating under similar conditions construct along the route specified in the approved proposals (but

subject to the provisions of the *Public Works Act 1902*, to the extent that they are applicable) the standard gauge railway (1.4351 metres) specified in the approved proposals and shall also construct *inter alia* any necessary deviations, loops, spurs, sidings, crossings, points, bridges signalling switches and other works and appurtenances and provide for crossing places and (where appropriate and required by the Minister) grade separation or other protective devices including flashing lights and boom gates at places where the specified railway crosses or intersects with major roads or existing railways (all of which together with the specified railway being hereinafter referred to as "the said railway") and shall operate the said railway with sufficient and adequate locomotives freight cars and other railway stock and equipment to haul at least one million tonnes of iron ore per annum.

**Operation of Railway<sup>2</sup>**

(2) The Joint Venturers shall during the continuance of this Agreement operate the said railway in a safe and proper manner and where they can do so without materially prejudicing or interfering with their operations hereunder they shall provide crossing places for livestock and also for any roads and other railways which now exist or in the future may be constructed and which cross or may be required to cross the said railway.

**Passengers and freight<sup>2</sup>**

(3) Where they can do so without materially prejudicing or interfering with their operations hereunder and subject to the payment to them of the charges prescribed by and for the time being payable under any by-laws made by the Joint Venturers in respect of the transporting of passengers and the carriage of freight over the said railway and subject to the due compliance with the other requirements and conditions prescribed by such by-laws (or should there be no such by-laws for the time being in force then subject to the payment of such charges and the due compliance with such requirements and conditions as in either case shall be reasonable having regard to the cost to the Joint Venturers of the construction and operation of the said railway) the Joint Venturers shall if and when reasonably required so to do transport passengers and carry the freight of the State and third parties over the said railway but in relation to their use of the said railway the Joint Venturers shall not be deemed to be a common carrier at law or otherwise.

**Roads Construction<sup>2</sup>**

20. (1) Subject to the State having assured to the Joint Venturers all necessary rights in or over Crown Lands available for the purpose the Joint Venturers shall at their own cost and expense construct such new roads as they

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may reasonably require for the purposes of this Agreement, such roads to be of such widths, of such materials, with such gates and warning devices, crossings (level or grade separated where required) and pass-overs for cattle sheep and other livestock and along such routes as the parties shall agree after consideration of the requirements of the Commissioner of Main Roads. Except to the extent that the Joint Venturers' relevant approved proposal otherwise provides, the Joint Venturers shall allow the public to use free of charge any roads constructed or upgraded pursuant to or for the purposes of this Agreement so long as such use shall not materially prejudice or interfere with the Joint Venturers' operations hereunder.

**Use of public roads<sup>2</sup>**

(2) The Joint Venturers shall have the right to use any public roads that may from time to time exist in the area of their operations under this Agreement both prior to the commencement date and also in the course of their operations hereunder. If the exercise by the Joint Venturers of such right results in or is likely to result in intensive use of any public road whereby excessive damage or deterioration is caused thereto or whereby the road becomes inadequate for use by the Joint Venturers and the public the Joint Venturers shall upon demand (except where and to the extent that the Commissioner of Main Roads agrees to bear the whole or part of such cost) pay to the State or the local authority concerned or other authority having control of such road the cost (or an equitable proportion thereof having regard to the use of such road by others) of preventing or making good such damage or deterioration or of upgrading the road to a standard commensurate with the increased traffic.

**Upgrading of roads<sup>2</sup>**

(3) If required by the Joint Venturers the State shall at the Joint Venturers' cost and expense (except where and to the extent that the Commissioner of Main Roads agrees to bear the whole or any part of the cost) widen upgrade or realign any public road existing from time to time which the Joint Venturers desire to use for their operations hereunder over which the State has control subject to the prior approval of the Commissioner of Main Roads to the proposed work.

**Liability for use of roads<sup>2</sup>**

- (4) (a) For the purpose of determining whether and the extent to which —
- (i) the Joint Venturers are liable to any person or body corporate (other than the State) or

- (ii) an action is maintainable by any such person or body corporate

in respect of the death or injury of any person or damage to any property arising out of the use of any of the roads for the construction or maintenance of which the Joint Venturers are responsible hereunder and for no other purpose the Joint Venturers shall be deemed to be a municipality and the said roads shall be deemed to be streets under the care control and management of the Joint Venturers.

- (b) For the purposes of this subclause the terms "municipality" "street" and "care control and management" shall have the meanings which they respectively have in the *Local Government Act 1960*.

**Water Coastal water requirements<sup>2</sup>**

21. (1) The Joint Venturers shall from time to time give to the State not less than two years' notice in the form required by the Minister of their estimated water consumption at the port and port townsite other than for construction purposes (which amounts or such other amounts as shall be agreed between the parties are hereinafter called "the Joint Venturers' coastal water requirements").

**Coastal water search<sup>2</sup>**

(2) Upon receipt of any such notice the State shall in collaboration with the Joint Venturers and in accordance with an agreed programme and budget at the expense of the Joint Venturers search for suitable subterranean water sources in areas agreed to by the parties.

**Development of water sources<sup>2</sup>**

(3) In the event that the search referred to in subclause (2) of this Clause identifies and proves subterranean water sources which the parties agree are adequate to supply the Joint Venturers' coastal water requirements the State shall, in accordance with an agreed programme and budget, construct or arrange to have constructed at the Joint Venturers' expense all bores, valves, pipelines, meters, tanks, equipment and appurtenances (in this Clause called "the water works") necessary to supply the Joint Venturers' coastal water requirements.

**Additional capacity<sup>2</sup>**

(4) The State may in its discretion construct the water works to achieve a capacity greater than that needed to meet the Joint Venturers' coastal water

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requirements and in that event the Joint Venturers shall pay to the State a sum or sums to be agreed between the parties as being the Joint Venturers' fair share of the cost of providing the said facilities works or appurtenances.

**State to supply water<sup>2</sup>**

(5) The State shall supply the Joint Venturers with water from sources developed by the State pursuant to subclauses (3) and (4) of this Clause up to the amount and rate set forth in the last notice given pursuant to subclause (1) of this Clause PROVIDED HOWEVER that should such sources prove hydrologically inadequate to meet the Joint Venturers' coastal water requirements the State may limit the amount of water which may be taken from such sources at any one time or from time to time to the maximum which such sources are hydrologically capable of meeting.

**Inland water requirements<sup>2</sup>**

(6) The Joint Venturers shall from time to time give to the State not less than six months notice in the form required by the Minister in respect of their requirements of water other than for construction purposes both at the mine townsite and elsewhere associated with the mine development (but excluding the Joint Venturers' coastal water requirements) and within the mineral lease to implement their obligations hereunder (which amounts or such other amounts as shall be agreed between the parties are hereinafter called "the Joint Venturers' inland water requirements").

**Inland water search<sup>2</sup>**

(7) The Joint Venturers shall in collaboration with the State search for and make investigations to establish the availability of suitable subterranean water sources within the mineral lease or at other locations approved by the Minister (which approval shall not be unreasonably withheld) and shall employ and retain experienced ground water consultants where appropriate and shall furnish the Minister with copies of the consultants reports or alternatively if so requested by the Joint Venturers the State shall carry out the said search and investigations at the Joint Venturers' expense.

**Construction of water works<sup>2</sup>**

(8) In the event that the search referred to in subclause (7) of this Clause identifies and proves subterranean water sources which the parties agree are adequate to supply the Joint Venturers' inland water requirements, the Joint Venturers shall provide and construct at their own expense to standards and in accordance with designs approved by the Minister and in accordance with their relevant proposals the water works necessary to draw transport use and dispose

of water drawn from sources licensed to the Joint Venturers pursuant to subclause (9) of this Clause.

**Licence<sup>2</sup>**

(9) The Joint Venturers shall make application to the State for a licence to draw water up to the amount and at a rate not greater than that set forth in the last notice given pursuant to subclause (6) of this Clause from suitable subterranean water sources identified pursuant to the search and investigation mentioned in subclause (7) of this Clause and as are agreed to be adequate and the State shall grant to the Joint Venturers such licence PROVIDED HOWEVER that should such sources should prove hydrologically inadequate to meet the Joint Venturers' inland water requirements, the State may limit the amount of water which may be taken from such sources at any one time or from time to time to the maximum which such sources are hydrologically capable of meeting.

**Revocation of licence<sup>2</sup>**

(10) If during the currency of a licence granted under the provisions of this Clause the Minister is of the opinion that it is desirable that the sources of water licensed to the Joint Venturers and the water works established by the Joint Venturers pursuant to subclause (8) of this Clause be made available to the State for such purposes, *inter alia* as water conservation, water management, utilisation of unused hydrological capacity, supply of water to third parties (where such supply will not materially prejudice the Joint Venturers' operations hereunder) and establishment of a regional water supply system incorporating the area of operations of the Joint Venturers, the Minister shall, (after first affording the Joint Venturers an opportunity to consult with him), so notify the Joint Venturers and the Joint Venturers shall after the expiration of six months from the date of such notice relinquish to the State the ownership control and operation of the water works. The State shall thereupon assume the ownership control and operation of the water works and shall revoke all relevant licenses previously issued to the Joint Venturers for the purpose of enabling them to draw subterranean water. The State shall not be liable to pay the Joint Venturers compensation in respect of the water works relinquished or the licenses so revoked. immediately after the revocation of such licenses the State shall (subject only to the continued hydrological availability of water from such sources previously licensed to the Joint Venturers), commence and thereafter continue to supply water to the Joint Venturers up to the same amount and at the same rate as that which the Joint Venturers would have been entitled to draw under such revoked licenses and the proviso to subclause (9) of this Clause shall in like manner apply to this subclause.

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**Regional water supply<sup>2</sup>**

(11) The State may in its discretion develop any district or regional water supply and for the purposes thereof construct water works to a greater capacity than that required to supply the Joint Venturers' inland water requirements but in that event the cost of the water works so constructed shall be shared by the parties in such manner as may be agreed to be fair in all the circumstances.

**Non-potable water<sup>2</sup>**

(12) The Joint Venturers shall so design and construct their plant and facilities for the mining handling processing and transportation of iron ore that as far as practicable non-potable water may be used therein.

**Charges for water<sup>2</sup>**

(13) The Joint Venturers shall pay to the State for all water supplied by it for the purposes of this Agreement a fair price to be negotiated between the parties which shall be equal to the actual cost incurred by the State in supplying water to the Joint Venturers including operating maintenance and overhead costs and a provision for replacement of the necessary water works. Notwithstanding the foregoing the Joint Venturers shall pay to the State in respect of water supplied by the State to the Joint Venturers for townsite purposes such charges and rates as are levied from time to time pursuant to the provisions of the *Country Areas Water Supply Act 1947*.

**Additional water search<sup>2</sup>**

(14) Should the State at any time pursuant to the provisos to subclauses (5) and (9) of this Clause limit the amount of water to be taken from the water sources therein mentioned, the Joint Venturers shall collaborate with the State in a search at the Joint Venturers' expense for new or additional subterranean water sources with a view to restoring the full quantity or quantities of water required by the Joint Venturers and such search shall (if necessary and agreed between the parties) extend to and include investigations into surface water resources pursuant to subclause (15) of this Clause.

**Surface water<sup>2</sup>**

(15) Without prejudice to the provisions of subclause (9) of this Clause the Joint Venturers shall collaborate with the State in an investigation of surface water catchments storage dams and reticulation facilities should water supplies from available underground sources prove insufficient to meet the Joint Venturers' coastal water requirements and the Joint Venturers' inland water requirements and the Joint Venturers shall if they propose to utilise such water



catchments and/or storage dams pay to the State a sum or sums to be agreed towards the cost of such investigation and towards the cost of constructing any water storage dam or dams and reticulation facilities required PROVIDED THAT the State may in its sole discretion elect to construct a water storage dam or dams and reticulation facilities having a capacity in excess of that required to supply the Joint Venturers' needs and in that event the Joint Venturers' contribution shall be limited to a fair and reasonable proportion of the total cost of constructing such water storage dam or dams and reticulation facilities.

**Rights in Water and Irrigation Act<sup>2</sup>**

(16) Any reference in this Clause to a licence is a reference to a licence under the *Rights in Water and Irrigation Act 1914* and the provisions of that Act relating to water rights and licences shall except where inconsistent with the provisions of this Agreement apply to any water sources developed for the Joint Venturers' purposes under this Agreement.

**Electricity<sup>2</sup>**

**Electrical facilities<sup>2</sup>**

22. (1) The Joint Venturers shall in accordance with the approved proposals construct without cost or expense to the State the necessary plant equipment and systems (in this Clause called "electricity facilities") for the generation and transmission of electricity needed to enable the Joint Venturers to carry out their obligations hereunder. The Joint Venturers shall so design and construct the electricity facilities as to facilitate their ultimate connection with similar facilities owned by the Commission or other third parties.

**Purchase of electricity<sup>2</sup>**

(2) Notwithstanding the provisions of subclause (1) of this Clause (and for the purpose of facilitating integration of electricity generation and transmission facilities in areas where the Joint Venturers operate) the Joint Venturers shall be at liberty to purchase electricity from the Commission and third parties or to negotiate with the Commission or third parties for the augmentation of the facilities of the Commission and such third parties to enable them to supply the Joint Venturers in lieu of the Joint Venturers providing electricity facilities pursuant to subclause (1) of this Clause.

**Acquisition of facilities<sup>2</sup>**

(3) The State may at any time give to the Joint Venturers twelve months' notice of its intention to acquire and may thereafter acquire the Joint Venturers' electricity facilities or any part thereof up to the first point of voltage breakdown or such other appropriate point as may be agreed, at a price to be

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agreed between the parties and the Joint Venturers shall take all such steps as may be necessary to effect the acquisitions. The State undertakes that in such event the Joint Venturers shall for their purposes hereunder have first call on the power generated and transmitted by such electricity facilities so acquired and the State undertakes subject only to its inability to supply power for any of the reasons set forth in Clause 39 to supply the Joint Venturers with power for their purposes hereunder up to the normal continuous full load capacity of the electricity facilities so acquired and that in the event of such inability to supply power occurring the State shall take all possible steps to restore such supply regardless of the time or day when such inability arises and may call upon the Joint Venturers to provide employees for that purpose at the State's expense.

**Charges for electricity<sup>2</sup>**

(4) In the event of the State acquiring the Joint Venturers' electricity facilities the Joint Venturers shall pay to the Commission the cost of all electricity supplied to the Joint Venturers by the Commission at a rate equal to the standard tariff from time to time applying to the Commission's system less the difference (if any) between the Commission's standard tariff in force at the time of the State's acquisition of the electricity facilities and the Joint Venturers' costs of operating the electricity facilities (including *inter alia* appropriate capital charges) at the time of the said acquisition. The Commission's rate for electricity supplied calculated as aforesaid shall apply only in respect of an amount of electricity equal to the continuous full load capacity of the electricity facilities so acquired and the Joint Venturers shall pay for all electricity supplied to them by the Commission in excess of such amount at the Commission's standard tariff applicable from time to time.

**Bulk supply to State<sup>2</sup>**

(5) Should the Joint Venturers' relevant approved proposal provide for the Commission to reticulate electricity to houses occupied by the Joint Venturers' work-force and by any other persons connected directly with the Joint Venturers' operations whether employees or not and to commercial establishments directly connected with such operations, the Joint Venturers shall sell to the Commission in bulk electricity in sufficient quantities to meet the needs of such workforce persons and establishments at a price equal to the Joint Venturers' actual cost of generating and transmitting such electricity including, *inter alia*, appropriate capital charges.

**Port and Joint Venturers' wharf<sup>2</sup>**

23. (1) (a) The Joint Venturers shall develop the port, construct the Joint Venturers' wharf and carry out all necessary dredging of

approach channels, swinging basin and berth at the Joint Venturers wharf and provide all necessary buoys, beacons, markers, navigational aids, lighting equipment and services and facilities (including where necessary tugs pilot boats and accommodation for the crews involved) in accordance with the Joint Venturers' relevant approved proposal.

- (b) Notwithstanding the provisions of paragraph (a) of this subclause, the parties recognise that it may be to their advantage for the State to provide all or some of the said works mentioned in the said paragraph and in such case the State shall confer with the Joint Venturers and the other users and potential users of the port as to the manner in which and the terms and conditions upon which the State should provide such works. The Joint Venturers shall pay to the State such sum or sums as the parties agree (not exceeding the amount that would have been payable had the Joint Venturers carried out the said works) towards the cost of the said works provided by the State.

**Use of wharf and facilities<sup>2</sup>**

- (2) (a) Subject to the payment to them of the charges prescribed by and for the time being payable under any by-laws made by the Joint Venturers in respect of the use by others of the Joint Venturers' wharf and subject to the due compliance with the other requirements and conditions prescribed by such by-laws or should there be no such by-laws for the time being in force then subject to the payment of such charges and the due compliance with such requirements and conditions as in either case shall be reasonable having regard to the cost to the Joint Venturers of the construction and operation of the Joint Venturers' wharf the Joint Venturers shall permit the State and third parties to use the Joint Venturers' wharf and the port installations, wharf machinery equipment and wharf and port services and port facilities constructed or provided and maintained by the Joint Venturers in connection therewith if and for so long as such user shall not materially prejudice or interfere with the operations of the Joint Venturers under this Agreement.
- (b) Subject to the provisions of Clause 24 nothing in this Agreement shall be construed to limit the application of the *Shipping and Pilotage Act 1967*.

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**No charge for the handling of cargoes<sup>2</sup>**

24. The State undertakes that subject to the Joint Venturers at their expense providing all works buildings dredging and things of a capital nature reasonably required for their operations hereunder at or in the vicinity of the port no charge or levy shall be made by the State or by any State agency authority or instrumentality in relation to the loading of outward or the unloading of inward cargoes from the Joint Venturers' wharf whether such cargoes shall be the property of the Joint Venturers or of any other person or corporation but the State accepts no obligations to undertake such loading or unloading and may make the usual charges from time to time prevailing in respect of services rendered by the State or by any State agency authority or instrumentality or by any local or other authority on behalf of the State and may charge vessels using the Joint Venturers' wharf ordinary light conservancy and tonnage dues.

**Townsites Establishment<sup>2</sup>**

25. (1) (a) Should the approved proposals provide for the establishment of a new town at the port townsite or at the mine townsite or of new towns at both places, the Joint Venturers shall at their own cost and in accordance with the approved proposals —
- (i) provide at the townsite or at each townsite (as the case may be) such housing accommodation services and works (including sewerage reticulation and treatment works water supply works and main drainage works and also social cultural and civil facilities) as may be necessary in order to provide for the needs of persons (and the dependants of those persons) connected directly with the Joint Venturers' operations under this Agreement, whether or not such persons are employed by the Joint Venturers;
  - (ii) provide at the townsite or at each townsite (as the case may be) all necessary public roads and buildings required for educational, hospital, medical, police, recreation, fire and other services;
  - (iii) provide all equipment required for the operation and proper functioning of the services and works referred to in subparagraphs (i) and (ii) of this paragraph; and
  - (iv) service maintain and where necessary repair and renovate the housing accommodation services and

works mentioned in subparagraphs (i) and (ii) of this paragraph.

- (v) (subject to and in accordance with by-laws from time to time to be made and altered by the Joint Venturers which include provisions for fair and reasonable prices rentals or charges or if no such by-laws are made or in force then at such prices rentals or charges and upon and subject to such terms and conditions as are fair and reasonable) ensure that the said housing accommodation services and works are at all times readily available to persons requiring the same being employees licensees or agents of the Joint Venturers or persons engaged in providing a legitimate and normal service to or for the Joint Venturers or their employees licensees or agents including the dependants of such persons; and
- (vi) ensure that the roads buildings and other works mentioned in subparagraph (ii) of this paragraph and the equipment mentioned in subparagraph (iii) of this paragraph are readily available free of charge to those desiring to use the same.

**Limitation on Joint Venturers' obligations<sup>2</sup>**

- (b) Nothing contained in paragraph (a) of this subclause shall be construed as placing on the Joint Venturers an obligation to provide and pay for personnel required to operate the educational hospital medical or police services mentioned in that paragraph.

**Equipment<sup>2</sup>**

(2) The Joint Venturers shall at their own cost equip all the buildings mentioned in paragraph (a) of subclause (1) of this Clause to the extent and of a standard at least equal to that normally adopted by the State in similar types of buildings used for similar purposes in comparable townsites.

**Staff Housing<sup>2</sup>**

(3) The Joint Venturers shall at their own cost provide adequate housing accommodation for married and single staff directly connected with the educational hospital medical and police services mentioned in subparagraphs (i) and (ii) of paragraph (a) of subclause (1) of this Clause.

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**Existing Towns<sup>2</sup>**

(4) If the approved proposals provide for the assimilation into any existing town of the whole or part of the Joint Venturers' workforce (including their dependants) and any other persons (including their dependants) connected directly with the Joint Venturers' operations (whether employees of the Joint Venturers or not) whereby the normal population of such existing town is increased then the Joint Venturers shall subject to the provisions of subclause (3) of Clause (9) bear the cost of the provision and maintenance at that existing town of the matters mentioned in subparagraphs (i) (ii) and (iii) of paragraph (a) of subclause (1) of this Clause to the extent as shall be necessary in order to provide for the needs of the said increase in population of such existing town. The said additional housing services works and equipment may be provided by the State or by another party under an agreement with the State and in either case shall be to the extent and of a standard at least equal to that normally adopted by the State in similar types of buildings used for similar purposes in comparable towns. The Joint Venturers shall pay to the State or such other party such proportion of the cost of such additional housing services works and equipment as is fair and reasonable having regard to the extent of the said increase in the population of such existing town.

**State services<sup>2</sup>**

(5) Should the approved proposals place an obligation on the State to provide for any of the matters mentioned in subparagraphs (i) (ii) and (iii) of paragraph (a) of subclause (1) of this Clause or require the State to procure and accept the responsibility of the provision of any services and facilities the State shall provide or procure the provision of the same but (unless the approved proposals otherwise provide) subject to the following conditions namely —

- (a) that the State is satisfied that the need to provide such services and facilities results from or is reasonably attributable to the Joint Venturers' operations under this Agreement; and
- (b) the Joint Venturers agree to bear the capital cost involved and thereafter to pay reasonable charges for the maintenance and operation of the said services or facilities other than the operation charges in respect of education hospital medical and police services.

**Environmental protection<sup>2</sup>**

26. Nothing in this Agreement shall be construed to exempt the Joint Venturers from compliance with any requirement in connection with the protection of the

environment arising out of or incidental to the operations of the Joint Venturers hereunder that may be made by the State or any State agency or instrumentality or any local or other authority or statutory body of the State pursuant to any Act for the time being in force.

**Compliance with State laws<sup>2</sup>**

27. The Joint Venturers shall in the construction operation maintenance and use of any work installation plant machinery equipment service or facility provided or controlled by the Joint Venturers comply with and observe the provisions of this Agreement and subject thereto the laws for the time being in force in the said State;

**Maintenance of Installations<sup>2</sup>**

28. The Joint Venturers shall at all times keep and maintain in good repair and working order and where necessary replace all such works installations plant machinery and equipment railways wharfs roads (other than public roads unless and to the extent otherwise provided herein) and water and power supplies for the time being the subject of this Agreement.

**Use of local professional services labour and materials<sup>2</sup>**

29. The Joint Venturers shall for the purposes of this Agreement as far as it is reasonably and economically practicable —

- (a) use the services of engineers, surveyors, architects and other professional consultants resident and available within the said State;
- (b) use labour available within the said State;
- (c) when calling for tenders and letting contracts for works materials plant equipment and supplies ensure that Western Australian suppliers manufacturers and contractors are given reasonable opportunity to tender or quote; and
- (d) give proper consideration and where possible preference to Western Australian suppliers manufacturers and contractors when letting contracts or placing orders for works materials plant equipment and supplies where price quality delivery and service are equal to or better than that obtainable elsewhere.

**Commonwealth licences and consents<sup>2</sup>**

30. (1) The Joint Venturers shall from time to time make application to the Commonwealth or to the Commonwealth constituted agency, authority or

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instrumentality concerned for the grant to them of any licence or consent under the laws of the Commonwealth of Australia necessary to enable or permit them to enter into this Agreement and to perform any of their obligations hereunder.

(2) On request by the Joint Venturers the State shall make representations to the Commonwealth or to the Commonwealth constituted agency authority or instrumentality concerned for the grant to the Joint Venturers of any licence or consent mentioned in subclause (1) of this Clause.

**Royalty<sup>2</sup>**

31. (1) The Joint Venturers shall during the continuance of this Agreement pay to the State a royalty on all iron ore products (other than iron ore shipped solely for testing purposes) at the rates herein specified in respect of each particular class of iron ore product as follows —

- (a) on iron ore products (being direct shipping ore and fine ore and fines not sold or shipped separately as such) sold and shipped beyond the Commonwealth — at the rate of seven and one half percentum of the f.o.b. revenue (computed at the rate of exchange prevailing on date of receipt by the Joint Venturers of the purchase price of such iron ore products) PROVIDED NEVERTHELESS that subject as provided in paragraph (e) of this subclause the total royalty payable under this paragraph shall not be less than the sum ascertained by multiplying 59.0524 cents by the total weight in tonnes of such iron ore products the subject of any shipment or sale.
- (b) on iron ore products (being fine ore and fines so sold or shipped separately as such) sold and shipped beyond the Commonwealth — at the rate of seven and one half percentum of the f.o.b. revenue (computed as mentioned in paragraph (a) of this subclause) PROVIDED NEVERTHELESS that subject as provided in paragraph (f) of this subclause the total royalty payable under this paragraph shall not be less than the sum ascertained by multiplying 29.5262 cents by the total weight in tonnes of such iron ore products the subject of any shipment or sale.
- (c) on iron ore products (being such as are produced by secondary processing locally used ore) sold and shipped beyond the Commonwealth — at the rate of 14.7631 cents per tonne.



- (d) on any other iron ore products —
  - (i) where the same are sold and shipped beyond the Commonwealth — at the rate of seven and one half percentum of the f.o.b. revenue (computed as aforesaid) without any minimum royalty;
  - (ii) where the same are not so sold and shipped — at the rate of 14.7631 cents per tonne.
- (e) if the amount ascertained by multiplying 59.0524 cents by the total weight in tonnes of direct shipping ore shipped or sold (and liable to royalty under paragraph (a) of this subclause) in any financial year is less than the total royalty which would be payable in respect of that ore but for the operation of the proviso to that paragraph then that proviso shall not apply in respect of direct shipping ore shipped or sold in that year and at the expiration of that year any necessary adjustments shall be made;
- (f) if the amount ascertained by multiplying 29.5262 cents by the total weight in tonnes of fine ore and fines shipped or sold separately as such (and liable to royalty under paragraph (b) of this subclause) in any financial year is less than the total royalty which would be payable in respect of that ore but for the operation of that proviso to that paragraph then that proviso shall not apply in respect of fine ore and fines shipped or sold separately as such in that year and at the expiration of that year any necessary adjustments shall be made;
- (g) the rate of royalty of 14.7631 cents per tonne mentioned in paragraph (c) and (d) of this subclause shall be adjusted up or down (as the case may be) as at the first day of January 1969 and as at the beginning of every fifth year thereafter in accordance with any variation in the average of the basic prices of foundry pig iron c.i.f. Australian capital city ports as announced by The Broken Hill Proprietary Company Limited or any subsidiary thereof from time to time during the calendar year immediately preceding the date at which the adjustment is required to be made as compared with such average for the calendar year 1963;
- (h) where iron ore products produced from secondary processing hereunder are so produced from an admixture of iron ore from

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the mineral lease and other iron ore, a portion (and a portion only) of the iron ore products so produced being equal to the proportion which the amount of iron in the iron ore from the mineral lease used in the production of those iron ore products 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.

**Payment of royalties<sup>2</sup>**

(2) The Joint Venturers shall during the continuance of this Agreement within fourteen days after the following quarter days namely the last days of March June September and December in each year (commencing with the quarter day next following the export date) furnish to the Minister a return showing the quantity of all iron ore products on which royalty is payable hereunder and shipped sold or used (as the case may be) during the quarter immediately preceding the due date of the return and shall not later than two months after such due date pay to the Minister the royalty payable in respect of such of the iron ore products mentioned in subclause (1) of this Clause as are locally used and shall also pay to the Minister in respect of such of the said iron ore products as are shipped or sold a sum on account of the royalty payable hereunder calculated on the basis of the invoices or provisional invoices (as the case may be) rendered by the Joint Venturers to the purchaser (which invoices the Joint Venturers shall render without delay and simultaneously shall furnish copies thereof to the Minister) and shall from time to time when the f.o.b. revenue realised in respect of the shipments has been ascertained in the next following appropriate return and payment make (in the return and by cash) all such necessary adjustments and give to the Minister full details thereof.

**Inspection of Records<sup>2</sup>**

(3) The Joint Venturers shall permit the Minister or his nominee at all reasonable times to inspect the books of account and records of the Joint Venturers relative to the Joint Venturers operations hereunder and to any shipment sale or use of iron ore products hereunder including sales contracts and to take copies or extracts therefrom. For the purpose of determining the f.o.b. revenue payable in respect of any shipment or sale of iron ore products hereunder the Joint Venturers shall take reasonable steps (either by the certificate of a competent independent party or otherwise to the Minister's reasonable satisfaction) to satisfy the State as to the correctness of all relevant weights assays and analyses and shall give due regard to any objection or representation made by the Minister or his nominee as to any particular weight assay or analysis that may

affect the amount of royalty payable hereunder. The information obtained by the Minister or his nominee as a result of any such inspection shall be used for the purposes of verifying the amount of royalty payable by the Joint Venturers and for no other purpose and shall not be disclosed by the State the Minister or his nominee to any other party for any other purpose.

**Off-loading<sup>2</sup>**

32. (1) Subject to the provisions of subclause (3) of this Clause the Joint Venturers shall not at any time during the continuance of this Agreement, unless the Minister otherwise permits, off-load or permit to be off-loaded any iron ore products shipped pursuant to this Agreement at a place within the Commonwealth.

(2) Where iron ore products are off-loaded in breach of subclause (1) of this Clause the Joint Venturers shall forthwith after becoming aware of that event notify the Minister and shall without prejudice to any other rights or remedies of the State by reason of the breach on demand pay to the State such sum as the Minister may determine but not more than a sum representing 98.4207 cents per tonne on the quantity of iron ore products off-loaded.

(3) The Joint Venturers shall not be deemed to have committed a breach of this Clause if iron ore products are off-loaded at a place within the Commonwealth in any of the following circumstances —

- (a) where the iron ore products are shipped in a vessel that is not owned by the Joint Venturers or an associated company and the Joint Venturers satisfy the Minister that they have taken appropriate steps to ensure that iron ore products will not again be off-loaded in breach of this Clause; or
- (b) because the vessel in which the iron ore products are being carried is unforeseeably diverted for necessary repairs or because of a *force majeure* or other unforeseeable cause and the Joint Venturers satisfy the Minister that because of any such event they could not take or be reasonably expected to have taken steps to prevent the off-loading; or
- (c) where the weight of iron ore products off-loaded in any part of the Commonwealth in any year and used by the Joint Venturers or an associated company within the Commonwealth but outside the said State does not exceed fifty per centum (or such other percentage as the Minister

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approves) of the weight of locally used ore consumed used or otherwise applied in the said State for that year.

**Secondary Processing proposals<sup>2</sup>**

33. (1) The Joint Venturers shall from time to time renew the investigations already commenced by them as to the feasibility of establishing within the said State a plant for secondary processing of iron ore from the mineral lease and will by the end of Year 10 (or within such extended time as the Minister may allow) submit to the Minister detailed proposals for the establishment of such a plant on the following basis —

- (a) the plant to be of such design and dimensions that it will progressively have the capacity to process annually —
  - (i) by the end of Year 12 — not less than five hundred thousand tonnes of iron ore;
  - (ii) by the end of Year 13 — not less than one million tonnes of iron ore;
  - (iii) by the end of Year 16 — not less than two million tonnes of iron ore;
- (b) the capital cost involved to be not less than forty million dollars unless the Joint Venturers utilise a less expensive but at least equally satisfactory method of secondary processing of iron ore than any at present known to either party.

**Consideration of proposals<sup>2</sup>**

(2) If such detailed proposals are submitted by the Joint Venturers to the Minister within the time mentioned in subclause (1) of this Clause the Minister shall within two months of the receipt thereof give to the Joint Venturers notice either of his approval of the said proposals or of any objections he has or alterations he desires thereto. In the latter case the Minister shall afford the Joint Venturers an opportunity to consult with and to submit new or further proposals to him and if within thirty days after receipt of such notice agreement is not reached as to the said proposals the Joint Venturers may within a further period of thirty days by notice to the State elect to refer to arbitration as hereinafter provided any question as to the reasonableness of the Minister's decision. If by the award on the arbitration the question is decided in favour of the Joint Venturers the Minister shall be deemed to have approved of the said proposals as submitted by the Joint Venturers.

**Failure to submit proposals<sup>2</sup>**

(3) If such detailed proposals are not submitted by the Joint Venturers to the Minister within the time mentioned in subclause (1) of this Clause or if such proposals are so submitted but are not approved by the Minister within two months of receipt thereof (or within such further time as the Minister may desire to take before delivering his decision) then the following provisions shall apply —

- (a) subject as provided in paragraph (c) of this subclause the Joint Venturers shall not after the end of Year 12 export iron ore hereunder at an annual rate in excess of five million tonnes unless prior to Year 10 the Minister has already approved of the Joint Venturers entering into a contract or contracts for the export of iron ore at an annual rate in excess of five million tonnes and —
- (b) if by the end of Year 13 the State gives to the Joint Venturers notice that some other company or party (hereinafter referred to as “the Third Party”) has agreed to establish within the said State a plant for secondary processing of iron ore from the mineral lease on terms not more favourable on the whole to the Third Party than those proposed by or available to the Joint Venturers hereunder then this Agreement shall (subject as hereinafter provided) cease and determine at the end of Year 21 or at the date on which the Third Party shall substantially establish the said plant in accordance with terms agreed between the State and the Third Party whichever date is the later;
- (c) if by the end of Year 13 the State has not given to the Joint Venturers a notice pursuant to the provisions of paragraph (b) of this subclause then the provisions of paragraph (a) of this subclause shall as from the end of Year 13 cease to operate and have effect;

**Submission of proposals after Year 10<sup>2</sup>**

(4) Notwithstanding the provisions of subclause (3) of this Clause the Joint Venturers may nevertheless at any time after the end of Year 10 submit proposals for the establishment of the said plant if at the time they have not received a notice pursuant to the provisions of paragraph (b) of the subclause (3) of this Clause and the provisions of subclause (2) of this Clause shall apply to such proposals but the Joint Venturers may not submit such proposals between the end of Year 10 and the end of Year 21 if during that time they receive notice

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from the Minister that he is negotiating with the Third Party and such notice is not subsequently withdrawn. In the event of negotiations between the Minister and the Third Party being terminated the Minister shall withdraw such notice.

**Failure not a default<sup>2</sup>**

(5) Notwithstanding anything contained herein the failure by the Joint Venturers to submit proposals to the Minister pursuant to subclause (1) of this Clause or the non-approval by the Minister of any proposals so submitted shall not constitute a breach of this Agreement by the Joint Venturers but subject as herein otherwise provided the only consequence arising from such failure or non-approval will be that set out in subclause (3) of this Clause.

**Provisions applying to proposals<sup>2</sup>**

(6) Subject as in this Clause otherwise provided the provisions of Clauses 7, 8 and 9 shall apply *mutatis mutandis* to detailed proposals made pursuant to this Clause.

**Iron and Steel Industry<sup>2</sup>**

34. (1) The Joint Venturers shall in due course during the continuance of this Agreement investigate the feasibility of establishing an integrated iron and steel industry within the said State and shall by the end of Year 20 (or within such extended time as the Minister may allow) submit to the Minister detailed proposals —

EITHER for the establishment of such an industry, to be capable ultimately of producing one million tonnes of steel per annum on the following basis —

- (a) the extent dimension design and construction thereof to be such that will permit the same having the capacity to produce progressively annually —
  - (i) by the end of Year 25 — not less than five hundred thousand tonnes of processed products consisting of pig iron, foundry iron and steel of which not less than two hundred and fifty thousand tonnes shall be steel;
  - (ii) by the end of Year 29 — not less than one million tonnes of processed products of which not less than five hundred thousand tonnes shall be steel;
  - (iii) by the end of Year 31 — not less than one million tonnes of processed product which shall be comprised entirely of steel;

- (b) the capital cost involved to be not less than one hundred million dollars unless the Joint Venturers utilise a less expensive but at least equally satisfactory method of production than any at present known to either of the parties.

OR for joining with an existing or proposed iron and steel making venture within the said State to produce steel pursuant to an agreement with the State on a basis that the Joint Venturers' obligations in that venture are not less than the Joint Venturers' obligations referred to in the first alternative in this subclause.

(2) If before the end of Year 20 such proposals are submitted by the Joint Venturers to the Minister the State shall within two months of the receipt thereof give to the Joint Venturers notice either of its approval of the proposals (which approval shall not be unreasonably withheld) or of any objections raised or alterations desired thereto and in the latter case shall afford to the Joint Venturers an opportunity to consult with and to submit new proposals to the Minister. If within thirty days of receipt of such notice agreement is not reached as to the proposals the Joint Venturers may within a further period of thirty days elect by notice to the State to refer to arbitration as hereinafter provided 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 Joint Venturers the Minister shall be deemed to have then approved the proposals of the Joint Venturers.

(3) If such proposals are not submitted by the Joint Venturers to the Minister before the end of Year 20 or if such proposals are so submitted but are not approved by the Minister within two months after receipt thereof then if by the end of Year 23 (or extended date if any) the State gives to the Joint Venturers notice that some other company or party (hereinafter referred to as "the Fourth Party") has agreed to establish either —

- (a) a plant for secondary processing within the said State of iron ore from the mineral lease (if proposals by the Joint Venturers for the establishment of such a plant have not previously been submitted to and approved by the Minister) on terms not more favourable on the whole to the Fourth Party than those proposed by or available to the Joint Venturers hereunder; or
- (b) an integrated iron and steel industry within the said State (using iron ore from the mineral lease) on terms not more favourable on the whole to the Fourth Party than those proposed by or available to the Joint Venturers hereunder;

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then and in either case this Agreement shall cease and determine —

- (i) in the case of the Fourth Party proceeding with secondary processing then when the Fourth Party has substantially established the plant referred to in paragraph (a) of this subclause;
- (ii) in the case of the Fourth Party proceeding with an integrated iron and steel industry then (if proposals by the Joint Venturers for a plant for secondary processing have previously been submitted to and approved by the Minister) at the end of Year 30 or at the date by which the Fourth Party has substantially established that industry whichever is the later; and
- (iii) in the case of the Fourth Party proceeding with an integrated iron and steel industry then (if proposals by the Joint Venturers for a plant for secondary processing have not previously been submitted to and approved by the Minister) at the date by which the Fourth Party has substantially established that industry.

(4) If by the end of Year 23 (or extended date if any) the State has not given to the Joint Venturers any such notice as is referred to in subclause (3) of this Clause that subclause shall thereupon cease to have effect except that (to the extent they can from time to time operate) the provisions of subclause (3) of this Clause shall revive (for a period of three years) at the end of Year 33 and at the end of each successive period of thirteen years thereafter in such a way that each year referred to in that subclause shall be read as the year thirteen years or (as the case may require) a multiple of thirteen years thereafter (subject to extensions of dates if any as aforesaid).

(5) The Joint Venturers may at any time after the end of Year 20 submit proposals for an integrated iron and steel industry if at that time it has not received any notice under subclause (3) of this Clause and the provisions of subclauses (1) and (2) of this Clause shall apply to such proposals.

(6) Except as provided in subclause (3) of this Clause this Agreement shall continue in operation subject to compliance by the Joint Venturers with their obligations hereunder and with such proposals by the Joint Venturers as are approved by the Minister.

(7) Notwithstanding anything contained herein no failure by the Joint Venturers to submit to the Minister proposals as aforesaid nor any non-approval



by the Minister of such proposals shall constitute a breach of this Agreement by the Joint Venturers and the only consequences arising from such failure or non-approval (as the case may be) will be those set out in subclause (3) of this clause.

**Substantial establishment<sup>2</sup>**

35. For the purposes of this Agreement the Third Party or the Fourth Party shall be deemed to have substantially established a plant for secondary processing or an integrated iron and steel industry when and not before that party's secondary processing plant has the capacity to treat not less than two million tonnes of iron ore per annum or (as the case may be) that party's integrated iron and steel industry has the capacity to produce one million tonnes of steel per annum and in either case the Minister has notified the Joint Venturers that he is satisfied that that party will proceed *bona fide* to operate its plant or industry.

**Terms "not more favourable"<sup>2</sup>**

36. In deciding whether for the purposes of Clause 33 or Clause 34 the terms granted by the State to some Company or party are not more favourable on the whole than those proposed by or available to the Joint Venturers regard shall be had *inter alia* to all the obligations which would have continued to devolve on the Joint Venturers had they proceeded with secondary processing or (as the case may be) iron and steel manufacture or steel manufacture including their obligations to mine transport by rail and ship iron ore and restrictions relating thereto to pay rent additional rental and royalty and (in the case of secondary processing by a third party pursuant to Clause 33) to termination of rights as provided in Clause 34 if proposals for iron and steel manufacture or steel manufacture are not brought to fruition and also to the need for the other company or party to pay on a fair and reasonable basis for or for the use of property accruing to the State and made available by the State to that company or party but also to any additional or equivalent obligations to the State assumed by that company or party PROVIDED HOWEVER that if after the end of Year 33 the Minister gives notice to the Joint Venturers under Clause 34 that another company or party has agreed to establish either secondary processing or an integrated iron and steel industry but not both then the latter company or party need not have any obligation to establish both.

**Supply of iron ore to others<sup>2</sup>**

37. The Joint Venturers covenant and agree with the State that should the Joint Venturers remain in possession of the mineral lease for any period during which the Third Party or the Fourth Party is operating or is ready to operate a plant for secondary processing of iron ore or an integrated iron and steel industry then during such period (whenever commencing) the Joint Venturers shall supply the

**Schedule 1**

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Third Party or the Fourth Party or both (as the case may be) with iron ore (not exceeding in all five million tonnes per annum unless otherwise agreed) —

- (i) at such rates and grades as may reasonably be available and be required;
- (ii) at such points on the Joint Venturers' railway;
- (iii) at such price; and
- (iv) on such other terms and conditions

as may be agreed between the Joint Venturers and the State or failing agreement determined by arbitration PROVIDED ALWAYS that the price shall unless otherwise agreed be equivalent to the total cost of production and transport incurred by the Joint Venturers (including reasonable allowance for depreciation and all overhead expenses) plus ten per centum of such total cost.

**Protection for current contracts<sup>2</sup>**

38. If this Agreement should cease and determine pursuant to the provisions of Clause 33 or Clause 34 and if at the date of such cessation or determination the Joint Venturers are under an obligation arising under a current contract or contracts with some other party originally entered into by them pursuant to proposals approved by the Minister to supply iron ore to that other party the Joint Venturers may give notice of that fact to the Minister and request the State to ensure that the Third Party or the Fourth Party (as the case may be) takes over and assumes liability for the due and punctual discharge of the Joint Venturers' said obligations or alternatively agrees to supply iron ore to enable them to discharge their said obligations and the State shall forthwith upon receipt of such notice or as soon as possible or practicable thereafter do or cause to be done all such acts matters or things as may be fair and reasonable in the circumstances to comply with the Joint Venturers' said request.

**Delays<sup>2</sup>**

39. This Agreement is deemed to be made subject to any delays in the performance of the obligations hereunder and to the temporary suspension of the continuing obligations hereunder that may be caused by or arise from circumstances beyond the power and control of the party responsible for the performance of those obligations including delays or any such temporary suspension as aforesaid caused by or arising from Act of God *force majeure* floods storms tempest washaways fire (unless caused by the actual fault or privity of the Joint Venturers) act of war act of public enemies riots civil commotions strikes lockouts stoppages restraint of labour or other similar acts (whether partial

or general) shortages of labour or essential materials reasonable failure to secure contractors delays of contractors and inability profitably to sell iron ore products or factors due to overall world economic conditions or factors that could not reasonably have been foreseen PROVIDED ALWAYS that the party whose performance of obligations is affected by any of the said causes shall promptly give notice to the other party of the event or events and shall minimise the effect of such causes as soon as possible after their occurrence.

**Assignment<sup>2</sup>**

40. (1) Subject to the provisions of this Clause the Joint Venturers or any of them may at any time —

- (a) assign mortgage charge sublet or dispose of to an associated company as of right or to any other company or person with the consent of the Minister the whole or any part of the rights of the Joint Venturers hereunder (including their rights to or as the holder of any lease licence easement grant or other title) and of the obligations of the Joint Venturers hereunder; and
- (b) appoint as of right an associated company or with the consent of the Minister any other company or person to exercise all or any of the powers functions and authorities that are or may be conferred on the Joint Venturers hereunder;

subject however to the assignee or the appointee (as the case may be) executing in favour of the State a deed of covenant in a form to be approved by the Minister to comply with observe and perform the provisions hereof on the part of the Joint Venturers to be complied with observed or performed in regard to the matter or matters the subject of such assignment mortgage charge subletting disposition or appointment.

(2) Notwithstanding anything contained in or anything done under or pursuant to subclause (1) of this Clause the Joint Venturers shall at all times during the currency of this Agreement be and remain liable for the due and punctual performance and observance of all the covenants and agreements on their part contained herein and in any lease licence easement grant or other title the subject of an assignment mortgage subletting or disposition or appointment under subclause (1) of this Clause.

**By-laws<sup>2</sup>**

41. The Governor in executive Council may upon the recommendation of the Joint Venturers make alter and repeal by-laws for the purpose of enabling the

**Schedule 1**

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Joint Venturers to fulfil their obligations under Clauses 19(2) 19(3) 22(5) and 23(2) and (unless and until the townsite concerned is declared a townsite pursuant to Section 10 of the Land Act) under Clause 25(1)(a)(v) upon terms and subject to conditions (including terms and conditions as to user charging and limitation of the liability of the Joint Venturers) consistent with the provisions hereof. If at any time it appears that any by-law made hereunder has as a result of altered circumstances become unreasonable or inapplicable then the Joint Venturers shall recommend to the Governor that he makes such alteration or repeal thereof as the State may reasonably require or (in the event of there being any dispute as to the reasonableness of such requirement) as may be decided by arbitration as herein provided.

**Determination of Agreement<sup>2</sup>**

42. (1) In any of the following events namely —
- (a) If the Joint Venturers make default in the due performance or observance of any of their obligations hereunder or in any lease sublease licence easement or other title or document granted or assigned under this Agreement on their part to be performed or observed and fail to remedy that default within a reasonable time after notice specifying the default is given to them by the State (or, if the alleged default is contested by the Joint Venturers and promptly submitted to arbitration, within a reasonable time fixed by the arbitration award where the question is decided against the Joint Venturers and the Arbitrator finds that there was a *bona fide* dispute and that the Joint Venturers had not been dilatory in pursuing the arbitration); or
  - (b) If the Joint Venturers abandon their operations or repudiate their obligations under this Agreement; or
  - (c) if any of the Joint Venturers go into liquidation (other than voluntary liquidation for the purpose of reconstruction) unless within three months next following the date of such liquidation the other or others of the Joint Venturers enter into an agreement with the Liquidator to acquire absolutely the share estate and interest of the Joint Venturer in liquidation in or under this Agreement and in or under the mineral lease and any other lease licence easement or right granted hereunder or pursuant hereto;

the State may by notice to the Joint Venturers determine this Agreement and the rights of the Joint Venturers hereunder and under any lease licence easement or right granted hereunder or pursuant hereto shall thereupon cease and determine.

(2) The State may, instead of determining this Agreement as provided in subclause (1) of this Clause, remedy or cause to be remedied any default on the part of the Joint Venturers for which purpose the State shall have full power and authority by its agents or workmen or otherwise to enter into and upon land occupied by the Joint Venturers and to use all or any plant, machinery, equipment and installations thereon and all costs and expenses incurred by the State in remedying such default or causing the same to be remedied shall be a debt due by the Joint Venturers to the State and be payable on demand.

**Effect of cessation and determination of Agreement <sup>2</sup>**

43. (1) Upon the cessation or determination of this Agreement —

- (a) except as otherwise agreed by the Minister the rights of the Joint Venturers and those of any assignee or mortgagee of the Joint Venturers under this Agreement or under the mineral lease or any other lease, licence, easement or right granted hereunder or pursuant hereto and all the right title and interest of the Joint Venturers and of any such assignee or mortgagee in and to any land wherever situated granted to the Joint Venturers or to such assignee for any other of the purposes of this Agreement shall thereupon cease and determine, but without prejudice to the liability of either of the parties in respect of any antecedent breach or default under this Agreement or in respect of any indemnity given hereunder, and
- (b) the Joint Venturers shall forthwith pay to the State all monies that may then have been payable or accrued due hereunder; and
- (c) except as provided in this Clause or otherwise provided in this Agreement neither of the parties shall have any claim against the other of them in respect to any matter or thing contained in or arising out of this Agreement.

(2) Subject to the provisions of subclause (3) of this Clause upon the cessation or determination of this Agreement all buildings erections and other improvements erected on any land then occupied by the Joint Venturers or any associated company or assignee of the Joint Venturers under the mineral lease or any other lease, licence, easement right or grant made hereunder for the purpose

**Schedule 1**

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hereof (including the said railway and the appurtenances constructed pursuant to subclause (1) of Clause 19 and including also the Joint Venturers' wharf) shall become and remain the absolute property of the State without the payment of any compensation or consideration to the Joint Venturers or any other party and freed and discharged from all mortgages and other encumbrances and the Joint Venturers shall do and execute all such deeds documents and other acts matters and things (including surrenders) as the State may reasonably require to give effect to the provisions of this subclause.

(3) In the event of the Joint Venturers immediately prior to the cessation or determination of this Agreement or subsequently thereto desiring to remove any of their locomotives rolling stock, or their electricity generating plant and transmission system or any of their other fixed or movable plant and equipment (excluding the said railway and appurtenances and the Joint Venturers' wharf) from any part of the land occupied by them at the date of such cessation or determination they shall give to the State notice of such desire and thereby shall grant to the State the right or option exercisable within three months thereafter to purchase *in situ* the said locomotives rolling stock electricity generating plant transmission system and other fixed or moveable plant and equipment or any part thereof at a fair valuation to be agreed between the parties or failing agreement determined by arbitration hereunder.

**Indemnity<sup>2</sup>**

44. The Joint Venturers shall indemnify and keep indemnified the State and its servants agents and contractors in respect of all actions suits claims demands or costs of third parties arising out of or in connection with any work carried out by or on behalf of the Joint Venturers pursuant to this Agreement or relating to their operations or arising out of or in connection with the construction maintenance operation or use by them or their servants agents contractors appointees or assignees of the works or services constructed maintained operated or used by them under this Agreement or the plant apparatus or equipment installed in connection therewith.

**Variation<sup>2</sup>**

45. (1) The parties may from time to time by agreement in writing add to substitute for cancel or vary all or any of the provisions of this Agreement or of any lease licence easement or right granted hereunder or pursuant hereto for the purpose of more efficiently or satisfactorily implementing or facilitating any of the objects of this Agreement.

(2) Where in the opinion of the Minister an agreement made pursuant to subclause (1) of this Clause constitutes a material or substantial alteration of the

rights or obligations of either party, the agreement shall contain a declaration to that effect and the Minister shall cause that agreement to be laid upon the Table of each House of Parliament within the twelve sitting days next following its execution.

(3) If either House does not pass a resolution disallowing the agreement, within twelve sitting days of that House after the agreement has been laid before it, the agreement shall have effect as and from the last day on which the agreement might have been disallowed.

**Power to extend periods<sup>2</sup>**

46. The Minister may at the request of the Joint Venturers from time to time extend or further extend any period or vary or further vary any date referred to in this Agreement for such period or to such later date as the Minister thinks fit whether or not the period to be extended has expired or the date to be varied has passed.

**Notices<sup>2</sup>**

47. Any notice consent or other writing authorised by or required by this Agreement to be given or sent shall be deemed to have been duly given or sent by the State if signed by the Minister or by a senior officer of the Public Service of the said State acting by the direction of the Minister and forwarded by prepaid post to the Joint Venturers at their respective registered offices for the time being in the said State or to a corporation nominated by a Joint Venturer by notice in that behalf pursuant to this Clause and at its registered office for the time being in the said State or as otherwise designated in that notice and by the Joint Venturers if executed by the Joint Venturers or signed on their behalf by any person or persons authorised by the Joint Venturers in that behalf or by their solicitors (which solicitors have been notified to the State from time to time) and forwarded by prepaid post to the Minister at his office in Perth in the said State and every such notice consent or writing shall be deemed to have been duly given or sent on the day on which it would be delivered to the addressee in the ordinary course of post.

**Exemption from Stamp Duty<sup>2</sup>**

48. (1) The State shall exempt from any stamp duty which but for the operation of this Clause would or might be chargeable thereon —

- (a) this Agreement;
- (b) any instrument executed by the State pursuant to this Agreement granting to or in favour of the Joint Venturers or any associated company or permitted assignee of the Joint

**Schedule 1**

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Venturers any tenement lease easement licence or other right or interest;

- (c) any assignment sublease or disposition (other than by way of mortgage or charge) and any appointment to or in favour of the Joint Venturers or an associated company of any interest right obligation power function or authority made pursuant to the provisions of Clause 40.

(2) This Clause does not apply to any instrument or other document executed or made more than seven years after the date of the execution hereof.

(3) If prior to the date on which this Agreement comes into operation stamp duty has been assessed and paid on any instrument or other document referred to in subclause (1) of this Clause the State shall after the passing of the ratifying Act refund the stamp duty paid on any such instrument or other document to the person by whom it was paid.

**Arbitration**<sup>2</sup>

49. (1) Any dispute or difference between the parties arising out of or in connection with this Agreement the construction of this Agreement or as to the rights duties or liabilities of either party hereunder or as to any matter to be agreed upon between the parties under this Agreement shall in default of agreement between the parties and in the absence of any provision in this Agreement to the contrary be referred to the arbitration of two arbitrators one to be appointed by each party the arbitrators to appoint their umpire before proceeding in the reference and every such arbitration shall be conducted in accordance with the provisions of the *Arbitration Act 1895* PROVIDED THAT except where this Agreement makes express provisions for arbitration hereunder or except whereby this Agreement the State or the Minister is required to act reasonably or not to act unreasonably this Clause shall not apply to any case where the State or the Minister is by this Agreement given either expressly or impliedly a power or discretion to approve consent direct or otherwise act in any particular way.

(2) The arbitrators or umpire (as the case may be) of any submission to arbitration hereunder are hereby empowered upon the application of either of the parties to grant in the name of the Minister any interim extension of any period or variation of any date referred to herein which having regard to the circumstances may reasonably be required in order to preserve the rights of that party or of the parties hereunder and an award may in the name of the Minister grant any further extension or variation for that purpose.



**Applicable Law**<sup>2</sup>

50. This Agreement shall be interpreted according to the law for the time being in force in the said State.

THE SCHEDULE

WESTERN AUSTRALIA

*Mining Act 1904-1971*

MINERAL LEASE

LEASE No.

MINERAL FIELD

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Australia and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM THESE PRESENTS shall come, GREETING:

KNOW YE that —

WHEREAS by an Agreement made the                      day of  
1972 BETWEEN the Honourable JOHN TREZISE TONKIN MLA the Premier  
of the State of Western Australia acting for and on behalf of the said State and  
its instrumentalities for the time being (hereinafter called “the State”) of the one  
part and CONSOLIDATED GOLD FIELDS AUSTRALIA LIMITED a  
company incorporated under the Companies Ordinances of the Australian  
Capital Territory and having its executive office at Gold Fields House Sydney  
Cove in the State of New South Wales and its registered office in the said State  
at 156 Saint George’s Terrace Perth CYPRUS MINES CORPORATION a  
corporation incorporated in the State of New York in the United States of  
America and having its executive offices situate at 1234 Pacific Mutual  
Building 523 West Sixth Street Los Angeles California in the United States of  
America UTAH DEVELOPMENT COMPANY a corporation incorporated  
under the laws of the State of Nevada in the United States of America with its  
executive offices situate at 55 California Street San Francisco in the said United  
States of America and having its registered office in the State of Queensland at  
Pearl Assurance House at the corner of Queen and Eagle Streets Brisbane  
HANCOCK PROSPECTING PTY LTD a company incorporated in the said  
State and having its registered office situate at the 14th Floor Lombard House  
251 Adelaide Terrace Perth in the said State WRIGHT PROSPECTING PTY  
LTD a company incorporated in the said State and having its registered office  
situate at the 14th Floor Lombard House 251 Adelaide Terrace Perth in the said

**Schedule 1**

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State and M. I. M. HOLDINGS LIMITED a company incorporated in the State of Queensland and having its registered office situate at 363 Adelaide Street, Brisbane (in the said Agreement and herein called "the Joint Venturers" which expression shall where the context so admits or requires extend to and include the Joint Venturers jointly and each of them severally their and each of their successors and permitted assigns and appointees) of the other part (being the agreement referred to in section 2 of the *Iron Ore (McCameys Monster) Agreement Authorization Act 1972*) the State agreed to cause to be granted to the Joint Venturers a mineral lease or leases.

AND WHEREAS the said Agreement was executed by the State pursuant to the authority granted by *the Iron Ore (McCameys Monster) Agreement Authorization Act 1972* and the same operates and takes effect as provided in the said Act.

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 Joint Venturers as tenants in common in equal shares subject to the said provisions ALL THOSE pieces and parcels of land situated in the Mineral Field containing approximately hectares (subject to such corrections as may be necessary to accord with the survey when made) and particularly described and delineated on the plan in the Schedule hereto and all those mines, veins, seams, lodes and deposits of iron ore in on or under the said land (hereinafter called "the said mine") together with all rights, liberties easements advantages and appurtenances thereto belonging or appertaining to a lessee of a mineral lease under the *Mining Act 1904*, including all amendments thereof for the time being in force and all regulations made thereunder for the time being in force (which Act and regulations are hereinafter referred to as "the Mining Act") or to which the Joint Venturers are entitled under the said Agreement TO HOLD the said land and mine and all and singular the premises hereby demised for the full term of twenty-one years from the day of 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 of the said Agreement 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 Joint Venturers of the following covenants and conditions, that is to say —

- (1) That the Joint Venturers 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 Joint Venturers 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 as modified by the said Agreement) those of the Mining Act in so far as the same affect or have reference to this lease.
- (3) That the Joint Venturers shall if required by the Minister for Mines supply information of a geological nature relating to the Joint Venturers' operations on the demised land.

PROVIDED THAT this lease and any renewal thereof shall not be determined or forfeited otherwise than under and in accordance with the provisions of the said Agreement.

PROVIDED FURTHER that all petroleum on or below the surface of the demised land is reserved to Her Majesty with the right to Her Majesty or any person claiming under her or lawfully authorised in that behalf to have access to the demised land for the purpose of searching for and for the operations of obtaining petroleum in any part of the land under the provisions of the *Petroleum Act 1967*.

IN WITNESS whereof we have caused our Minister for Mines to affix his seal and set his hand hereto at Perth in our said State of Western Australia and the common seals of the Joint Venturers have been affixed hereto this  
day of 19

THE SCHEDULE ABOVE REFERRED TO

IN WITNESS WHEREOF this Agreement has been executed the day and year first hereinbefore written.

SIGNED by the said THE  
HONOURABLE JOHN TRESIZE  
TONKIN, M.L.A., in the  
presence of —

}  
}

Minister for Development  
and Decentralisation

Minister for Mines

**Schedule 1**

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SIGNED SEALED AND DELIVERED  
for and on behalf of CONSOLIDATED  
GOLD FIELDS AUSTRALIA LIMITED  
by its duly authorised agent in the  
presence of — }

SIGNED SEALED AND DELIVERED  
for and on behalf of CYPRUS MINES  
CORPORATION by its duly authorised  
agent in the presence of — }

SIGNED SEALED AND DELIVERED  
for and on behalf of UTAH  
DEVELOPMENT COMPANY by its duly  
authorised agent in the presence of — }

THE COMMON SEAL of M.I.M.  
HOLDINGS LIMITED was hereunto  
affixed with the authority of a resolution  
of the Board of Directors in the presence  
of — }

THE COMMON SEAL of HANCOCK  
PROSPECTING PTY. LTD. was  
hereunto affixed by the Governing  
Director LANGLEY GEORGE  
HANCOCK in accordance with the  
Articles of Association }

THE COMMON SEAL of WRIGHT  
PROSPECTING PTY. LTD. was  
hereunto affixed by authority of the  
Directors and in the presence of — }

Director

Secretary

**Schedule 2**

THIS AGREEMENT is made the 14th day of July 1986

BETWEEN:

THE HONOURABLE BRIAN THOMAS BURKE, M.L.A., Premier of the State of Western Australia, acting for and on behalf of the said State and its instrumentalities from time to time (hereinafter called "the State") of the one part and

HANCOCK MINING LIMITED a company incorporated in Western Australia and having its registered office at 1st Floor, 49 Stirling Highway, Nedlands (hereinafter called "the Company") of the other part.

WHEREAS:

- (a) the State of the one part entered into an agreement (hereinafter called "the Principal Agreement") dated 12th January, 1973 with CONSOLIDATED GOLD FIELDS AUSTRALIA LIMITED (hereinafter called "GCFA"), CYPRUS MINES CORPORATION (hereinafter called "Cyprus"), UTAH DEVELOPMENT COMPANY (now Utah Development Company Limited and hereinafter called "Utah"), HANCOCK PROSPECTING PTY. LTD. (hereinafter called "HPPL"), WRIGHT PROSPECTING PTY. LTD. (hereinafter called "WPPL"), and M.I.M. HOLDINGS LIMITED (hereinafter called "M.I.M.") of the other part the execution of which by the State was authorised pursuant to section 2 of the *Iron Ore (McCamey's Monster) Agreement Authorization Act 1972*;
- (b) by Deed dated 12th February, 1980 Cyprus assigned all of its right, title and interest in and to the Principal Agreement to M.I.M.;
- (c) by Deeds each dated 16th August, 1985 M.I.M. assigned all of its right, title and interest in and to the Principal Agreement to CGFA, Utah and HPPL and WPPL in the following proportions:

CGFA	38.5%
Utah	38.5%
HPPL and WPPL	23%;
- (d) CGFA, Utah, HPPL and WPPL have with the consent of the State assigned all their right, title and interest in and to the Principal Agreement to the Company;

**Schedule 2**

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- (e) the Company desires to recover and market (including by way of barter) iron ore from Temporary Reserve No. 4326H (being the lands now within the mining areas defined in the Principal Agreement) to inter alia Romania and the State and the Company have agreed to vary the Principal Agreement in manner hereinafter set out.

**NOW THIS AGREEMENT WITNESSES.**

1. Subject to the context the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the Principal Agreement.

2. The provisions of this Agreement shall not come into operation until a Bill to approve and ratify this Agreement is passed by the Legislature of the said State and comes into operation as an Act.

3. The Principal Agreement is hereby varied as follows —

(1) By deleting in the statement of the names and addresses of the parties at the commencement of the Principal Agreement the following —

“ (hereinafter called “the Joint Venturers” which expression shall where the context so admits or requires extend to include the Joint Venturers jointly and each of them severally their and each of their successors and permitted assigns and appointees)”.

(2) Clause 1 —

(a) (i) in the definition “associated company”, by deleting “section 6 of the *Companies Act 1961*” and substituting the following —

“ section 7 of the *Companies (Western Australia) Code* ”;

(ii) in the definition of “Commission”, by deleting “State Electricity Commission” and substituting the following —

“ State Energy Commission ”;

(iii) in the definition of “direct shipping ore”, by inserting before “crushing” the following —

“ washing ”;

(iv) in the definition of “fine ore”, by inserting before “crushing” the following —

“ washing ”;

(v) in the definition of “f.o.b. revenue” —

(A) by deleting “or sale which is payable by the purchaser thereof to the Joint Venturers or an associated company less all export duties and export taxes payable on such iron ore products and less” and substituting the following —

“sale or other disposal which is payable by the purchaser or transferee thereof to the Joint Venturers or an associated company or where there is no price paid for iron ore products the subject of any shipment or other disposal or where the Minister is not satisfied that the price amount value or other consideration payable in respect of iron ore products the subject of a shipment sale or other disposal represents a fair and reasonable market price or value therefor, such amount as is agreed between the Joint Venturers and the State or, failing agreement within 3 months after lodgement of the relevant royalty return, as determined by the Minister, less where the iron ore products are shipped all export taxes payable on such iron ore products and less ”;

(B) in item (8) by deleting “and” where it last occurs;

(C) by deleting item (9) and inserting after item (8) the following —

“and less (whether the iron ore products are shipped or not) such other costs and charges as the Minister may in his discretion consider reasonable in respect of any shipment sale or other disposal.”;

(D) in paragraph (a) by deleting “(9)” and substituting the following —

“ (8) ”

**Schedule 2**

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- (E) by deleting paragraph (c);
- (vi) in the definition of “mineral lease”, by deleting “the mineral lease or mineral leases” and substituting the following —
- “ the mining lease for the mining of iron ore ”;
- (vii) by deleting the definition of “mine townsite” and substituting the following definition —
- “ “mine townsite” means the town of Newman or a townsite established by the Joint Venturers on or near the mining areas if the Minister approves that the Joint Venturers may establish such a townsite in lieu of assimilation of their workforce into the town of Newman; ”;
- (viii) by deleting the definitions of “Mining Act”, “mining areas” and “Minister for Mines”;
- (ix) in the definition of “secondary processing”, by deleting “crushing or screening” and substituting the following —
- “ washing crushing or screening or any combination thereof ”;
- (b) by substituting for the plan marked “A” referred to the Principal Agreement, the plan marked “B” initialled by or on behalf of the parties hereto for the purpose of identification;
- (c) by inserting, in their appropriate alphabetical positions, the following definitions —
- “ “Joint Venturers” means Hancock Mining Limited a company incorporated in the State of Western Australia and its successors, permitted assigns and appointees;
- “*Mining Act 1904*” means the *Mining Act 1904* and the amendments thereto and the regulations made thereunder as in force on 31st December, 1981;
- “*Mining Act 1978*” means the *Mining Act 1978*;
- “mining areas” means the area delineated and coloured red on the plan marked “B” initialled by or on behalf of the parties



hereto for the purpose of identification and comprising  
Temporary Reserve No. 4326H;

“Minister for Minerals and Energy” means the Minister in the  
Government of the State for the time being responsible for  
the administration of the *Mining Act 1904* and the *Mining  
Act 1978*.”.

- (3) Clause 2 subclause (1) —
- (a) paragraph (c) —  
by deleting “and”;
- (b) paragraph (d) —
- (i) by inserting after “Act”, where it first occurs, the  
following —  
“ other than the *Mining Act 1904* ”;
- (ii) by deleting “thereunder.” and substituting the following —  
“ thereunder; ”
- (c) by inserting after paragraph (d) the following paragraphs —
- “(e) words in the singular number include the plural and words in  
the plural number include the singular;
- (f) any covenant or agreement on the part of the Joint Venturers  
hereunder shall, if they be more than one, be deemed to be a  
joint and several covenant or agreement as the case may  
be. ”.
- (4) Clause 3 —
- (a) by deleting the subclause designation (1);
- (b) by deleting “Mining Act”, wherever it occurs, and substituting the  
following —  
“ *Mining Act 1904* ”.

**Schedule 2**

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- (5) Clause 5 —
- (a) by deleting “Mining Act”, wherever it occurs, and substituting —
    - (i) in the first three instances where it occurs “*Mining Act 1904*”; and
    - (ii) in the last instance where it occurs “*Mining Act 1978*”;
  - (b) by deleting paragraph (a);
  - (c) by deleting “Minister for Mines”, wherever it occurs, and substituting the following —
    - “ Minister for Minerals and Energy ”.
- (6) Clause 7 —
- (a) subclause (1) —

by deleting “As soon as practicable after the completion of the investigations mentioned in Clause 6” and substituting the following —

    - “ On or before 31st March, 1987 or such later date as the Minister may approve ”;
  - (b) subclause (2) —
    - (i) by deleting “Subject to the proposals or any alternative proposals as to the location and development of the port being approved the Joint Venturers shall on or before the fifth anniversary of the commencement date or on or before such later date as the Minister may approve or as may be determined by arbitration as hereinafter provided” and substituting the following —
      - “ On or before 30th June, 1987 or such later date as the Minister may approve the Joint Venturers shall ”;
    - (ii) by inserting after “protection”, where it first occurs, the following —
      - “ and management ”;

(iii) paragraph (d) —

by inserting after “housing” the following —

“ including, where the mine townsite is to be Newman, the provision of temporary accommodation on or near the mining areas for the Joint Venturers’ workforce (but not their dependants) during the development phase of the mine ”;

(c) by inserting after subclause (2) the following subclause —

“ (2a) The provisions of Clause 39 shall not apply to subclauses (1) and (2) of this Clause. ”.

(7) By inserting after Clause 9 the following clause —

“9A. (1) The Joint Venturers shall in respect of the measures for the protection and management of the environment and the matters referred to in paragraphs (j), (k) and (l) of subclause (2) of Clause 7 and which are the subject of approved proposals under this Agreement, carry out a continuous programme of investigation and research including monitoring and the study of sample areas to ascertain the effectiveness of the measures they are taking pursuant to such approved proposals for rehabilitation and the protection and management of the environment.

(2) The Joint Venturers shall during the currency of this Agreement at yearly intervals commencing from the date when the Joint Venturers’ proposals are finally approved submit an interim report to the Minister concerning investigations and research carried out pursuant to subclause (1) of this Clause and at 3 yearly intervals commencing from such date submit a detailed report to the Minister on the result of the investigations and research during the previous 3 years.

(3) The Minister may within 2 months of the receipt of any detailed report pursuant to subclause (2) of this Clause notify the Joint Venturers that he requires additional detailed proposals to be submitted in respect of all or any of the

**Schedule 2**

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matters the subject of the report and such other matters as the Minister may require.

- (4) The Joint Venturers shall within 2 months of the receipt of a notice given pursuant to subclause (3) of this Clause submit to the Minister additional detailed proposals as required and the provisions of Clauses 7 and 8 where applicable shall *mutatis mutandis* apply in respect of such proposals.
- (5) The Joint Venturers shall implement the decision of the Minister or an award made on arbitration as the case may be in accordance with the terms thereof.”.

(8) Clause 10 —

by inserting after paragraph (c) the following paragraph —

- “ (ca) if the Minister makes a decision as mentioned in paragraph (c) of subclause (1) of Clause 8 and the Joint Venturers fail within 2 months after receipt of the notice mentioned in subclause (2) of Clause 8 either to comply with the condition precedent or to elect to refer to arbitration the question of the reasonableness of the condition precedent; or ”.

(9) Clause 11 —

(a) subclause (1) —

- (i) by deleting “mineral lease”, where it first occurs. and substituting the following —
  - “ mining lease (the “mineral lease”) ”;
- (ii) by deleting paragraph (a);
- (iii) by deleting in paragraph (f) “Mining Act” and substituting the following —
  - “ *Mining Act 1978* ”;

- (iv) by deleting in paragraph (f) “the labour conditions imposed by the said Act in respect of mineral leases” and substituting the following —
    - “ the expenditure conditions imposed by the said Act in respect of mining leases ”;
  - (b) subclause (2) —  
by deleting “Minister for Mines” and substituting the following —
    - “ Minister for Minerals and Energy ”;
  - (c) subclause (6) —
    - (i) by deleting “register any claim or grant any lease or other mining tenement under the Mining Act” and substituting the following —
      - “ grant any lease or other mining tenement under the *Mining Act 1978* ”;
    - (ii) by inserting at the end of the subclause the following —
      - “ Upon the grant of any such lease or other mining tenement the land contained therein shall be deemed to be automatically excised from the mineral lease (with abatement of future rent in respect to the area excised). ”;
  - (d) by inserting after subclause (7) the following subclause —
    - “ (8) the Joint Venturers shall not except where and to the extent that the Minister otherwise permits sell or otherwise dispose of iron ore products where the port of discharge thereof is within Japan, the Republic of Korea, the Federal Republic of Germany, the United Kingdom, France or Italy otherwise than for a consideration payable to the Joint Venturers in money. ”.
- (10) By inserting after Clause 11 the following clause —
- “12A. The State shall in accordance with the approved proposals cause to be made available lots of land in Newman for purchase by the Joint Venturers at prices to be fixed by the State (having

**Schedule 2**

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regard to the price of similar lots then being made available by the State to others) which will include the cost to the State of developing and servicing such land including the provision of adjacent local head works in respect of water and sewerage. ”.

(11) Clause 13 —

(a) subclause (1) —

(i) by deleting “such other leases of” and substituting the following —

“ such other leases or where applicable licences easements or rights of way of or over ”;

(ii) by inserting after “Such leases” the following —

“ licences easements and rights of way ”;

(b) subclause (2) —

(i) by deleting paragraph (a);

(ii) paragraph (c) —

(A) by deleting “either of paragraphs (a) or (b)” and substituting the following —

“ paragraph (b) ”;

(B) by deleting “sold and shipped” and substituting the following —

“ shipped sold used or produced ”.

(12) Clause 18 —

(a) by deleting “four years” and substituting the following —

“ two years ”;

(b) by deleting “at a cost of not less than sixty million dollars”;

- (c) by deleting “to commence shipment therefrom in commercial quantities at an annual rate of not less than one million tonnes” and substituting the following —
- “ to ship therefrom in commercial quantities at an annual rate of not less than three million tonnes ”;
- (d) by deleting paragraph (a).
- (13) Clause 19 —
- (a) by inserting after subclause (2) the following subclause —
- “ (2a) The Joint Venturers shall if and when required carry iron ore and iron ore products of third parties (being iron ore or iron ore products obtained from outside the mineral lease) over the said railway in accordance with arrangements (including provision for payment of charges by such third parties) to be entered into for the purpose of this subclause between the Joint Venturers and the State such arrangements unless the parties hereto otherwise agree to be similar in all material respects with any other arrangements for the carriage of iron ore or iron ore products of third parties made pursuant to any other agreement with the State relating to the mining of iron ore. ”;
- (b) subclause (3) —
- by inserting after “third parties” the following —
- “ (other than iron ore or iron ore products of third parties) ”;
- (c) by inserting after subclause (3) the following subclause —
- “ (4) The Joint Venturers shall not enter into any agreement or other arrangement for the use of or the carriage of the iron ore products of the Joint Venturers over any railway not established by the Joint Venturers pursuant to this Agreement without the prior approval of the State thereto and to the proposed terms and conditions (including charges) for such use or carriage. ”.
- (14) Clause 21 —
- (a) subclause (1) —

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by inserting after “notice” the following —

“ or such shorter period as the Minister may approve ”;

(b) by inserting after subclause (16) the following subclause —

“ (17) The Joint Venturers shall design construct and operate all plant and equipment used in their operations under this Agreement so as to minimise water consumption and shall at all times use their best endeavours to minimise the consumption of water by themselves and their employees licensees and agents including the dependants of such persons within the, areas of mining operations hereunder, at the mine town and elsewhere. ”.

(15) Clause 22 —

(a) by deleting subclauses (1) and (2) and substituting the following subclauses —

“ (1) For the purposes of facilitating integration of electricity generation and transmission facilities in areas where the Joint Venturers carry on operations under this Agreement, the Joint Venturers shall purchase electricity if available from the Commission or, negotiate with the Commission for the payment by the Joint Venturers of an equitable contribution towards the augmentation of the facilities of the Commission to enable it to supply electricity to the Joint Venturers. Electricity supplied to the Joint Venturers pursuant to this subclause shall be on terms and conditions to be negotiated between the Commission and the Joint Venturers.

(2) In the event of the Joint Venturers demonstrating to the satisfaction of the Minister that the provisions of subclause (1) would be unduly prejudicial to their operations, or if the Commission is unable to provide supply, the Joint Venturers may —

(a) in accordance with their approved proposals hereunder and subject to the provisions of the *Electricity Act 1945* and the approval and requirements of the Commission, install and operate without cost to the State, at an



appropriate location equipment to generate electricity of sufficient capacity for their operations hereunder;

- (b) transmit power generated pursuant to paragraph (a) of this subclause to and within the areas of their mining operations and to the mine town or elsewhere subject to the provisions of the *Electricity Act 1945* and the approval and requirements of the Commission;
- (c) subject to the provisions of the *Electricity Act 1945* and the requirements of the Commission sell power transmitted pursuant to paragraph (b) of this subclause to third parties within the areas of their mining operations and to third parties elsewhere; and
- (d) the Joint Venturers shall be at liberty to negotiate with third parties for the augmentation of the facilities of such third parties to enable them to supply the Joint Venturers in lieu of the Joint Venturers providing electricity facilities pursuant to this subclause.

(2a) In the event that the Joint Venturers are unable to procure easements or other rights over land required for the purposes of subclause (2) of this Clause on reasonable terms the State shall assist the Joint Venturers to such extent as may be reasonably necessary to enable them to procure the said easements or other rights over land. ”;

(b) subclause (3) —

- (i) by inserting after “facilities so acquired”, where it first occurs, the following —
  - “ at levels of supply from time to time agreed between the State and the Company ”;
- (ii) by deleting “up to the normal continuous full load capacity of the electricity facilities so acquired” and substituting the following

**Schedule 2**

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“ at the said levels of supply ”;

(c) subclause (4) —

by deleting subclause (4) and substituting the following subclause —

“ (4) In the event of the State acquiring the Joint Venturers' electricity facilities the Joint Venturers shall pay to the Commission the cost of all electricity supplied to the Joint Venturers by the Commission at rates to be agreed between the Commission and the Joint Venturers from time to time. Should the Joint Venturers desire to expand their operations hereunder and for that purpose require power beyond the level agreed pursuant to subclause (3) of this Clause the Joint Venturers shall give to the State 1 years notice of their additional power requirements and the State shall thereupon cause the Commission to negotiate with the Joint Venturers the terms and conditions under which the additional generation capacity required to meet the needs of such expansion is to be provided. ”;

(d) subclause (5) —

by deleting “at a price equal to the Joint Venturers' actual cost of generating and transmitting such electricity including, *inter alia*, appropriate capital charges” and substituting the following —

“ on terms and conditions to be negotiated between the Commission and the Joint Venturers ”;

(e) by inserting after subclause (5) the following subclause —

“ (6) If the Commission desires to purchase power for its own use and the Joint Venturers have the ability to supply such power the Joint Venturers shall use their best endeavours to supply on terms and conditions to be negotiated between the Commission and the Joint Venturers, and the Joint Venturers shall in that event be empowered to supply such power. ”.

(16) Clause 25 —

(a) subclause (1)(a) —

by inserting in subparagraph (i) after “under this Agreement” the following —

“ or connected wholly or partly with any railway operations carried on for or on behalf of the Joint Venturers ”;

(b) subclause (4) —

by inserting after “Joint Venturers’ operations” the following —

“ or connected wholly or partly with any railway or port operations carried on for or on behalf of the Joint Venturers ”.

(17) Clause 29 —

by deleting Clause 29 and substituting the following clause —

- “ 29. (1) The Joint Venturers shall, for the purposes of this Agreement —
- (a) except in those cases where the Joint Venturers can demonstrate it is impracticable so to do, use labour available within the said State;
  - (b) as far as it is reasonable and economically practicable so to do use the services of engineers surveyors architects and other professional consultants, project managers manufacturers suppliers and contractors resident and available within the said State;
  - (c) when preparing specifications calling for tenders and letting contracts for works materials plant equipment and supplies ensure that Western Australian suppliers manufacturers and contractors are given fair and reasonable opportunity to tender or quote; and
  - (d) give proper consideration and where possible preference to Western Australian manufacturers suppliers and contractors when letting contracts or placing orders for works materials plant equipment an supplies where price quality

**Schedule 2**

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delivery and service are equal to or better than that obtainable elsewhere.

- (2) The Joint Venturers shall in every contract entered into with a third party for the supply of services labour works materials plant equipment and supplies for the purposes of this Agreement require as a condition thereof that such third party shall undertake the same obligations as are referred to in subclause (1) of this clause and shall report to the Joint Venturers concerning such third party's implementation of that condition.
- (3) The Joint Venturers shall submit a report to the Minister at monthly intervals commencing from the 1st day of August, 1986 or such longer periods as the Minister may from time to time determine concerning their implementation of the provisions of this Clause and the performance of third parties in relation thereto pursuant to subclause (2) of this Clause together with a copy of any report received by the Joint Venturers pursuant to that subclause during that month.
- (4) The provisions of this Clause shall not prevent the Joint Venturers from using plant equipment and materials or, with the prior approval of the Minister, services where such plant equipment materials or services are part of the purchase consideration for the sale of iron ore or iron ore products by the Joint Venturers. ”.

(18) Clause 31 —

(a) subclause (1) —

by deleting paragraphs (a) to (g) inclusive and substituting the following paragraphs —

“ (a) on iron ore products being direct shipping ore and fine ore and fines where such fine ore or fines are not sold or shipped separately as such — at the rate of 7½% of the f.o.b. revenue (computed at the rate of exchange

prevailing on the date of receipt by the Joint Venturers of the purchase price of such iron ore products);

(b) on all other iron ore products — at the rate of 3¾% of the f.o.b. revenue (computed as mentioned in paragraph (a) of this subclause);

(c) notwithstanding the provisions of paragraphs (a) and (b) of this subclause where the manner of assessing royalty and/or the rates of royalty or any of them payable under this Agreement are substantially different from those payable to the State for like products by other producers of iron ore in the Pilbara region (being producers who in the opinion of the Minister are exporters of 60% or more of the total exports from time to time from the Pilbara region) the Minister may, after consultation with the Joint Venturers determine an alternative manner of assessing royalties and/or new rates of royalty under this Agreement consistent with those payable to the State for like products by such iron ore producers; ”;

(b) subclause (2) —

by deleting “the Minister” wherever it occurs and substituting the following —

“ the Minister for Minerals and Energy ”;

(c) subclause (3) —

by deleting subclause (3) and substituting the following subclause —

“(3) (a) The Joint Venturers shall permit the Minister for Minerals and Energy or his nominee —

(i) at all reasonable times —

(A) to inspect all books, records, accounts and other documents of the Joint Venturers relative to the Joint Venturers operations hereunder and to any sale, use, shipment, transfer or other disposal of minerals, including sales contracts;

**Schedule 2**

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- (B) to take and retain extracts and copies of books, records, accounts and other documents inspected under this subclause;
  - (C) to inspect, take stock of and value minerals in respect of which royalties are payable or, in the opinion of the Minister for Minerals and Energy, are likely to be payable; and
  - (D) to have access to the areas the subject of this Agreement and all other areas and facilities at which iron ore or iron ore products are stored or treated, to sample ore streams and to take and retain samples of iron ore and iron ore products for analysis; and
- (ii) to obtain all information necessary to ascertain the quantity or value of minerals produced or obtained from a mining tenement or from land the subject of an application for a mining tenement and to determine the amount of royalty payable with respect to those minerals.

For the purposes of determining the value for royalty purposes in respect of any minerals hereunder the Joint Venturers shall take reasonable steps (either by the certificate of a competent independent party acceptable to the Minister for Minerals and Energy or otherwise to his reasonable satisfaction) to satisfy the State as to all relevant matters including weights assays and analyses and shall give due regard to any objection or representation made by the Minister for Minerals and Energy or his nominee as to any matter and/or any particular weight assay or analysis which may affect the amount of royalty payable hereunder. The information obtained by the Minister for Minerals and Energy or his nominee as a result of any such inspection shall be used for the purposes of verifying the amount of royalty payable by the Joint Venturers

and for no other purpose and shall not be disclosed by the State the Minister for Minerals and Energy or his nominee to any other party for any other purpose.

- (b) The Joint Venturers shall as and when required by the Minister for Minerals and Energy from time to time install and thereafter maintain in good working order and condition meters for measuring movements of iron ore products of such design or designs and at such places as the Minister for Minerals and Energy may require. ”.

(19) Clause 34 —

subclause (3) —

by deleting subclause (3) and substituting the following subclause —

- “ (3) If such proposals are not submitted by the Joint Venturers to the Minister before the end of Year 20 or if such proposals are so submitted but are not approved by the Minister within two months after receipt thereof then if by the end of Year 23 (or extended date if any) the State gives to the Joint Venturers notice that some other company or party (hereinafter referred to as “the Fourth Party”) has agreed to establish an integrated iron and steel industry within the said State (using iron ore from the mineral lease) on terms not more favourable on the whole to the Fourth Party than those proposed by or available to the Joint Venturers hereunder then this Agreement shall cease and determine —
- (i) if proposals by the Joint Venturers for a plant for secondary processing have previously been submitted to and approved by the Minister, at the end of Year 30 or at the date by which the Fourth Party has substantially established an integrated iron and steel industry whichever is the later; and
- (ii) if proposals by the Joint Venturers for a plant for secondary processing have not previously been submitted to and approved by the Minister, at the date by which the Fourth Party has substantially established an integrated iron and steel industry. ”.

**Schedule 2**

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- (20) Clause 39 —  
by deleting “This Agreement” and substituting the following —  
“ Subject to subclause (2a) of Clause 7 this Agreement ”.
- (21) Clause 40 subclause (2) —  
by inserting after “Clause”, where it last occurs, the following —  
“ PROVIDED THAT the Minister may agree to release the Joint Venturers and any former parties to this Agreement and permitted assigns of those parties or any of them from such liability where he considers such release will not be contrary to the interests of the State ”.
- (22) Clause 49 —  
by deleting “*Arbitration Act 1895*” and substituting the following —  
“ *Commercial Arbitration Act 1985* ”.
- (23) The Schedule is deleted and the following Schedule substituted —

“

THE SCHEDULE  
WESTERN AUSTRALIA  
*MINING ACT 1978*  
*IRON ORE (McCAMEY'S MONSTER)*  
*AGREEMENT AUTHORIZATION ACT 1972*  
MINING LEASE

Mining Lease No.

The Minister for Minerals and Energy a corporation sole established by the *Mining Act 1978* with power to grant leases of land for the purposes of mining in consideration of the rents hereinafter reserved and of the covenants on the part of the Lessee described in the First Schedule to this lease and of the conditions hereinafter contained and pursuant to the *Mining Act 1978* (except as otherwise provided by the Agreement (hereinafter called “the Agreement”) described in the Second Schedule to this lease) hereby leases to the Lessee the land more particularly delineated and described in the Third Schedule to this lease for iron ore



subject however to the exceptions and reservations set out in the Fourth Schedule to this lease and to any other exceptions and reservations which subject to the Agreement are by the *Mining Act 1978* and by any Act for the time being in force deemed to be contained herein to hold to the Lessee for a term of twenty one years commencing on the date set out in the Fifth Schedule to this lease with the right to renew the same as provided in but subject to the Agreement for further periods each of twenty one years (subject to sooner determination of the said term upon cessation or determination of the Agreement) upon and subject to such of the provisions of the *Mining Act 1978* except as otherwise provided by the Agreement as are applicable to mining leases granted thereunder and to the terms covenants and conditions set out in the Agreement and to the covenants and conditions herein contained or implied and any further conditions or stipulations set out in the Sixth Schedule to this lease the Lessee paying therefor the rents and royalties as provided in the Agreement PROVIDED ALWAYS that this lease is subject also to the following covenants and conditions that is to say —

- (1) that the Lessee shall use the land bona fide exclusively for the purposes of the Agreement;
- (2) subject to the provisions of the Agreement the Lessee shall observe perform and carry out the provisions of the *Mines Regulation Act 1946*; and
- (3) that the Lessee shall if required by the Minister for Minerals and Energy supply information of a geological nature relating to the Lessee's operations on the land the subject of this lease

and PROVIDED FURTHER that this lease and any renewal thereof shall not be determined or forfeited otherwise than in accordance with the Agreement.

In this lease —

- “Lessee” includes the successors and permitted assigns of the Lessee and if the Lessee be more than one the respective successors and permitted assigns of each Lessee.
- If the Lessee be more than one the liability of the Lessee hereunder shall be joint and several.
- Reference to any Act includes all amendments to that Act for the time being in force and also any Act passed in substitution therefor

**Schedule 2**

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or in lieu thereof and the regulations and by-laws for the time being in force thereunder.

**FIRST SCHEDULE**

HANCOCK MINING LIMITED a company incorporated in Western Australia and having its registered office at 1st Floor, 49 Stirling Highway, Nedlands.

**SECOND SCHEDULE**

The Agreement authorized by the *Iron Ore (McCamey's Monster) Agreement Authorization Act 1972* including any amendments to that Agreement.

**THIRD SCHEDULE**

(Description of land)

Locality:

Mineral Field:                      Area, etc:

Being the land delineated on Original Plan(s) No.                      and recorded in the Department of Mines, Perth.

**FOURTH SCHEDULE**

All petroleum as defined in the *Petroleum Act 1967* on or below the surface of the land the subject of this lease is reserved to the Crown in right of the State of Western Australia with the right of the Crown in right of the State of Western Australia and any person lawfully claiming thereunder or otherwise authorized to do so to have access to the land the subject of this lease for the purpose of searching for and for the operations of obtaining petroleum (as so defined) in any part of the land.

**FIFTH SCHEDULE**

(Date of Commencement of the lease)

**SIXTH SCHEDULE**

(Any further conditions or stipulations)

In witness whereof the Minister for Minerals and Energy has affixed his seal and set his hand hereto this                      day of                      19                      .".

4. (1) The State shall exempt from any stamp duty which but for the operation of this Clause would or might be chargeable on —
- (a) transfers of exploration licences in respect of the lands formerly within Temporary Reserves Nos. 4194H, 5004H and 5006H by CGFA, Utah, HPPL and WPPL to Renison Limited and Utah;
  - (b) the assignment of the Principal Agreement and the rights of occupancy in respect of the lands within Temporary Reserve No. 4236H by CGFA, Utah, HPPL and WPPL to the Company.
- (2) If prior to the date on which the Bill referred to in Clause 2 of this Agreement to ratify this Agreement is passed as an Act stamp duty has been assessed and paid on any instrument or other document referred to in subclause (1) of this Clause the State when such Bill is passed as an Act shall on demand refund any stamp duty paid on any such instrument or other document to the person who paid the same.

IN WITNESS WHEREOF this Agreement has been executed by or on behalf of the parties hereto the day and year first hereinbefore written.

SIGNED by THE HONOURABLE  
BRIAN THOMAS BURKE, M.L.A.  
in the presence of:

}

BRIAN BURKE

D. PARKER  
MINISTER FOR MINERALS AND  
ENERGY

THE COMMON SEAL of  
HANCOCK MINING LIMITED was  
hereunto affixed by authority of the  
Director in the presence of:

}

(C.S.)

Director        L. G. HANCOCK  
Secretary      R. H. WOODLAND

*[Schedule 2 inserted by No. 45 of 1986 s. 8.]*

**Schedule 3**

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**Schedule 3**

[section 5]

**THIS AGREEMENT** is made the 31st day of March 1994

**B E T W E E N :**

**THE HONOURABLE RICHARD FAIRFAX COURT** B.Com., M.L.A.,  
Premier of the State of Western Australia, acting for and on behalf of the said  
State and its instrumentalities from time to time (hereinafter called "the State")  
of the one part AND **BHP IRON ORE (JIMBLEBAR) PTY. LTD.**  
ACN 009 114 210 (formerly called Hancock Mining Limited) a company  
incorporated in the State of Western Australia and having its registered office at  
Level 18, 200 St George's Terrace, Perth (hereinafter called "the Company") of  
the other part.

**WHEREAS:**

- (a) the State and the Company (pursuant to certain assignments) are now the parties to the agreement (as amended from time to time) the execution of which was authorized by *the Iron Ore (McCamey's Monster) Agreement Authorization Act 1972* (hereinafter called "the Principal Agreement");
- (b) the State and the Company wish to vary the Principal Agreement.

**NOW THIS AGREEMENT WITNESSES —**

1. Subject to the context the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the Principal Agreement.
2. The State shall introduce and sponsor a Bill in the State Parliament of Western Australia to ratify this Agreement and endeavour to secure its passage as an Act prior to 31 December 1994 or such later date as may be agreed between the parties hereto.
3. (1) The provisions of this Agreement other than this Clause and Clauses 1 and 2 shall not come into operation unless and until —
  - (a) the Bill to ratify this Agreement as referred to in Clause 2;  
and

- (b) Bills to ratify the following agreements of even date herewith, namely: —
- (i) an agreement between the State of the one part and BHP Minerals Pty. Ltd. of the other part called the Iron Ore Processing (BHP Minerals) Agreement;
  - (ii) an agreement between the State of the one part and BHP Iron Pty. Ltd., BHP Australia Coal Pty. Ltd., CI Minerals Australia Pty. Ltd. and Mitsui Iron Ore Corporation Pty. Ltd. of the other part to vary the Iron Ore (Mount Goldsworthy) Agreement; and
  - (iii) an agreement between the State of the one part and BHP (Minerals) Pty. Ltd., Mitsui Iron Ore Corporation Pty. Ltd. and CI Minerals Australia Pty. Ltd. of the other part to vary the Iron Ore (Marillana Creek) Agreement

are passed as Acts before 31 December 1994 or such later date if any as the parties hereto may agree upon.

- (2) If before 31 December 1994 or such later agreed date the said Bills have not commenced to operate as Acts then unless the parties hereto otherwise agree this Agreement shall then cease and determine and no party hereto shall have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.
- (3) On the said Bills commencing to operate as Acts all the provisions of this Agreement shall operate and take effect notwithstanding the provisions of any Act or law.

4. The Principal Agreement is hereby varied as follows —

- (1) **Clause 1** —

in the definition of “**approved proposal**”, by inserting after “Clause 8”, where it secondly occurs, the following —

“and includes proposals approved or deemed to be approved under Clauses 9 or 11A”.

**Schedule 3**

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(2) **Clause 9(1)** —

by deleting “If” and substituting the following —

“Subject to Clause 11A, if”.

(3) **Clause 9(2)**

by deleting “or if as a consequence of their submitting detailed proposals pursuant to Clause 33 the Minister requires further detailed proposals to be submitted on any of the said matters mentioned in paragraphs (a) - (m) of subclause (2) of Clause 7” and substituting the following —

“or Clause 11A”.

(4) **Clause 11A**

by inserting after Clause 11 the following clause —

**Limits on mining**

“ 11A. (1) In this Clause —

**“aggregate project cost under the Processing Agreement”** means the sum of \$400,000,000 (June 1993 dollars) which is agreed or determined for the purposes of Clause 27 of the Processing Agreement to have been expended on the establishment of facilities for further processing or alternative investments pursuant to that Agreement;

**“approved production limit under this Clause”** means the production level (if any) of tonnes of iron ore per annum for transportation from the mineral lease which has been consented to from time to time by the Minister pursuant to subclauses (5) or (6) of this Clause and which is the subject of proposals approved or deemed to be approved pursuant to subclause (7) of this Clause;

**“BHP”** means BHP Minerals Pty. Ltd. and its successors and assigns who are parties with the State to the Processing Agreement;

**“combined limit”** means the aggregate of —

- (i) any approved production limit under this Clause;
- (ii) the approved production limit under Clause 11 of the Marillana Creek Agreement; and
- (iii) any approved production limit under Clause 12 of the Mount Goldsworthy Agreement

PROVIDED THAT if any of the approved production limits referred to in paragraphs (i), (ii) or (iii) exceeds 15,000,000 tonnes per annum then in calculating the combined limit such approved production limit shall be treated as being 15,000,000 tonnes per annum;

**“Marillana Creek Agreement”** means the agreement (as amended from time to time) ratified by the *Iron Ore (Marillana Creek) Agreement Act 1991*;

**“Mount Goldsworthy Agreement”** means the agreement (as amended from time to time) approved by the *Iron Ore (Mount Goldsworthy) Agreement Act 1964*;

**“Processing Agreement”** means the agreement (as amended from time to time) ratified by the *Iron Ore Processing (BHP Minerals) Agreement Act 1994*.

- (2) After the 1st day of April 1994, except for the production of iron ore in accordance with the approval of the Minister of the 5th day of March 1993 the Joint Venturers shall not produce iron ore under this Agreement unless there is an approved production limit under this Clause.
- (3) Where there is an approved production limit under this Clause, the Joint Venturers shall not

**Schedule 3**

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produce iron ore under this Agreement for transportation in any calendar year in excess of the approved production limit without the prior consent in principle of the Minister and, subject to that consent, approval of detailed proposals in regard thereto in accordance with this Clause.

- (4) If the Joint Venturers desire to establish or increase an approved production limit under this Clause they shall give notice thereof to the Minister and furnish to the Minister with that notice an outline of their proposals in respect thereto (including the matters mentioned in paragraphs (a) - (m) of subclause (2) of Clause 7).
- (5) The Minister shall advise the Joint Venturers within two months of receipt by the Minister of a notice under subclause (4) of this Clause whether or not he consents in principle to the proposed limit or increase PROVIDED THAT the Minister shall consent in principle to the proposed limit or increase —
- (a) if the aggregate project cost under the Processing Agreement has been expended;  
or
- (b) if the aggregate project cost under the Processing Agreement has not been expended and:
- (i) the obligations of BHP under the Processing Agreement have been and are being properly performed and complied with; and
- (ii) the proposed limit or increase would not result in the approved production limit under this Clause exceeding 15,000,000 tonnes per annum or the combined limit exceeding 30,000,000 tonnes per annum.



- (6) If the aggregate project cost under the Processing Agreement has not been expended and:
- (i) the obligations of BHP under the Processing Agreement have been and are being properly performed and complied with; and
  - (ii) the proposed limit or increase would result in the approved production limit under this Clause exceeding 15,000,000 tonnes per annum or the combined limit exceeding 30,000,000 tonnes per annum,

the Minister may consent in principle to the whole or part of a proposed limit or increase or withhold his approval of the proposed limit or increase. The Minister shall give reasons for his decision if he withholds his approval, but his decision shall not be referable to arbitration under this Agreement or otherwise be the subject of challenge by the Joint Venturers.

- (7) (a) If the Minister consents in principle to a proposed limit or increase the Joint Venturers must within three months of that consent submit to the Minister detailed proposals in respect thereof otherwise that consent shall lapse.
- (b) The provisions of Clause 7 (other than subclauses (1) and (6)) and Clause 8 shall apply to detailed proposals submitted pursuant to this subclause with the proviso that the Joint Venturers may withdraw such proposals at any time before approval thereof or, where any decision of the Minister in respect thereof is referred to arbitration, within 3 months after the award, by notice to the Minister that they shall not be proceeding with the same.
- (c) If the Joint Venturers do not withdraw their proposals or give notice pursuant to

**Schedule 3**

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paragraph (b) of this subclause then, subject to and in accordance with the *Environmental Protection Act 1986* and any approvals and licences required under that Act, the Joint Venturers shall implement proposals approved or deemed to be approved pursuant to this Clause in accordance with the terms thereof.

(5) Clause 22 —

(a) by deleting the subclause designations (1), (2), 2a), (3), (4), (5) and (6) and substituting respectively the subclause designations (2), (3), (4), (5), (6), (7) and (8);

(b) by inserting as the first subclause the following —

“ (1) The Joint Venturers may purchase their electricity requirements from generating facilities established under the agreement (as amended from time to time) ratified by the *Pilbara Energy Project Agreement Act 1994* and may transmit power to and within the areas of their mining operations or elsewhere subject to the provisions of the *Electricity Act 1945* and the approval and requirements of the State Energy Commission pursuant to any Act. ”;

(c) in subclause (2), as renumbered by paragraph (a) of this clause, by deleting “For the purposes of facilitating integration of electricity generation and transmission facilities in the areas where the Joint Venturers carry on operations under this Agreement” and substituting the following —

“ Subject to subclause (1), ”;

(d) in subclause (3), as renumbered by paragraph (a) of this subclause, by deleting “subclause (1)” and substituting the following —

“ subclause (2) ”;

(e) in subclause (4), as renumbered by paragraph (a) of this subclause, by deleting “subclause (2)” and substituting the following —

“ subclause (3) ”;

(f) in subclause (6), as renumbered by paragraph (a) of this subclause, by deleting “subclause (3)” and substituting the following —

“ subclause (5) ”.

(6) By deleting Clauses 33, 34, 35, 36, 37 and 38.

IN WITNESS WHEREOF this Agreement has been executed by or on behalf of the parties hereto the day and year first hereinbefore mentioned.

SIGNED by **THE HONOURABLE** )  
**RICHARD FAIRFAX COURT** in ) R F COURT  
the presence of — )

Colin Barnett  
MINISTER FOR RESOURCES DEVELOPMENT

THE COMMON SEAL of )  
**BHP IRON ORE (JIMBLEBAR)** )  
**PTY. LTD.** was hereunto ) C.S.  
affixed by authority of )  
the Directors — )

Director R J Carter

Secretary Ada Lian Davies

*[Schedule 3 inserted by No. 29 of 1994 s. 10.]*

**Schedule 4**

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**Schedule 4**

[s. 6]

THIS AGREEMENT is made the 11th day of April 2000.

B E T W E E N :

**THE HONOURABLE RICHARD FAIRFAX COURT** B.Com., M.L.A.,  
Premier of the State of Western Australia, acting for and on behalf of the said  
State and its instrumentalities from time to time (hereinafter called "the State")  
of the one part

AND

**BHP IRON ORE (JIMBLEBAR) PTY. LTD.** ACN 009 114 210 a company  
incorporated in the State of Western Australia and having its registered office at  
Level 18, 200 St George's Terrace, Perth (hereinafter called "the Company") of  
the other part.

W H E R E A S :

- (a) the State and the Company (pursuant to certain assignments) are now the parties to the agreement the execution of which was authorised by the *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972*, which agreement as amended from time to time is hereinafter called "the Principal Agreement";
- (b) the State and the Company wish to vary the Principal Agreement.

NOW THIS AGREEMENT WITNESSES —

1. Subject to the context the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the Principal Agreement.
2. The State shall introduce and sponsor a Bill in the State Parliament of Western Australia to ratify this Agreement and endeavour to secure its passage as an Act prior to 31 December 2000 or such later date as may be agreed between the parties hereto.
3. (1) The provisions of this Agreement other than this Clause and Clauses 1 and 2 shall not come into operation unless and until —
  - (a) the Bill to ratify this Agreement as referred to in Clause 2;  
and

- (b) Bills to ratify the following agreements of even date herewith, namely: —
- (i) an agreement between the State and BHP Direct Reduced Iron Pty. Ltd. to vary the Iron Ore Beneficiation (BHP) Agreement;
  - (ii) an agreement between the State and BHP Direct Reduced Iron Pty. Ltd. to vary the Iron Ore - Direct Reduced Iron (BHP) Agreement;
  - (iii) an agreement between the State and BHP Minerals Pty. Ltd., CI Minerals Australia Pty. Ltd. and Mitsui Iron Ore Corporation Pty. Ltd. to vary the Iron Ore (Marillana Creek) Agreement;
  - (iv) an agreement between the State and BHP Minerals Pty. Ltd., CI Minerals Australia Pty. Ltd. and Mitsui Iron Ore Corporation Pty. Ltd. to vary the Iron Ore (Mount Goldsworthy) Agreement;
  - (v) an agreement between the State and BHP Minerals Pty. Ltd., Mitsui-Itochu Iron Pty. Ltd. and CI Minerals Australia Pty. Ltd. to vary the Iron Ore (Mount Newman) Agreement; and
  - (vi) an agreement between the State and BHP Minerals Pty. Ltd., CI Minerals Australia Pty. Ltd. and Mitsui Iron Ore Corporation Pty. Ltd. to vary the Iron Ore (Goldsworthy-Nimingarra) Agreement

are passed as Acts before 31 December 2000 or such later date if any as the parties hereto may agree upon.

- (2) If before 31 December 2000 or such later agreed date the said Bills have not commenced to operate as Acts then unless the parties hereto otherwise agree this Agreement shall then cease and determine and no party hereto shall have any claim against any other party hereto with respect to any matter or thing arising out of, done, performed, or omitted to be done or performed under this Agreement.
- (3) On the said Bills commencing to operate as Acts all the provisions of this Agreement shall operate and take effect notwithstanding the provisions of any Act or law.

**Schedule 4**

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4. The Principal Agreement is hereby varied in Clause 31(1) as follows —

(a) by inserting after paragraph (a) the following paragraph —

“ (aa) on iron ore products used in the beneficiation plant the subject of the Agreement ratified by the *Iron Ore Beneficiation (BHP) Agreement Act 1996* at the following rates —

(i) in respect of lump ore, 7.5% of the f.o.b. revenue;  
and

(ii) in respect of fine ore, 3.75% of the f.o.b. revenue. ”.

(b) in paragraph (c), by inserting after “Agreement” the following —

“ pursuant to those paragraphs ”.

IN WITNESS WHEREOF this Agreement has been executed by or on behalf of the parties hereto the day and year first hereinbefore mentioned.

SIGNED by THE HONOURABLE  
RICHARD FAIRFAX COURT in  
the presence of —

} RICHARD COURT

COLIN BARNETT  
MINISTER FOR RESOURCES DEVELOPMENT

THE COMMON SEAL of  
**BHP IRON ORE (JIMBLEBAR)  
PTY. LTD.** was hereunto affixed by  
authority of the Directors —

} [C.S.]

STEFANO GIORGINI  
Director

MICHAEL KNOWLES  
Secretary

*[Schedule 4 inserted by No. 57 of 2000 s. 14.]*

### Notes

<sup>1</sup> This is a compilation of the *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972* and includes the amendments made by the other written laws referred to in the following table <sup>1a</sup>. The table also contains information about any reprint.

### Compilation table

Short title	Number and year	Assent	Commencement
<i>Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972</i>	104 of 1972	6 Dec 1972	6 Dec 1972
<i>Iron Ore (McCamey's Monster) Agreement Authorisation Amendment Act 1986</i>	45 of 1986	1 Aug 1986	1 Aug 1986 (see s. 2)
<i>Acts Amendment (Mount Goldsworthy, McCamey's Monster and Marillana Creek Iron Ore Agreements) Act 1994 Pt. 3</i>	29 of 1994	8 Jul 1994	8 Jul 1994 (see s. 2)
<i>Acts Amendment (Iron Ore Agreements) Act 2000 Pt. 4</i>	57 of 2000	7 Dec 2000	7 Dec 2000 (see s. 2)
<b>Reprint 1: The <i>Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972</i> as at 11 Apr 2003</b> (includes amendments listed above)			
<i>Iron Ore Agreements Legislation Amendment Act 2010 Pt. 5</i>	34 of 2010	26 Aug 2010	1 Jul 2010 (see s. 2(b)(ii))

<sup>1a</sup> On the date as at which this compilation was prepared, provisions referred to in the following table had not come into operation and were therefore not included in this compilation. For the text of the provisions see the endnotes referred to in the table.

### Provisions that have not come into operation

Short title	Number and year	Assent	Commencement
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*Standardisation of* 19 of 2010 28 Jun 2010 To be proclaimed (see s. 2(b))  
*Formatting Act 2010* s. 4<sup>3</sup>

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<sup>2</sup> Marginal notes in the agreement have been represented as bold headnotes in this reprint but that does not change their status as marginal notes.

<sup>3</sup> On the date as at which this compilation was prepared, the *Standardisation of Formatting Act 2010* s. 4 had not come into operation. It reads as follows:

**4. Schedule headings reformatted**

- (1) This section amends the Acts listed in the Table.
- (2) In each Schedule listed in the Table:
  - (a) if there is a title set out in the Table for the Schedule — after the identifier for the Schedule insert that title;
  - (b) if there is a shoulder note set out in the Table for the Schedule — at the end of the heading to the Schedule insert that shoulder note;
  - (c) reformat the heading to the Schedule, as amended by paragraphs (a) and (b) if applicable, so that it is in the current format.

<b>Act</b>	<b>Identifier</b>	<b>Title</b>	<b>Shoulder note</b>
<i>Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972</i>	Schedule 1	Iron Ore (McCamey's Monster) Agreement	[s. 2]
	Schedule 2	First Variation Agreement	[s. 4]
	Schedule 3	Second Variation Agreement	
	Schedule 4	Third Variation Agreement	