

WESTERN AUSTRALIA.

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# IRON ORE (CLEVELAND-CLIFFS) AGREEMENT.

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No. 68 of 1973.

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**AN ACT to amend the Iron Ore (Cleveland-Cliffs)  
Agreement Act, 1964-1970.**

*[Assented to 28th November, 1973.]*

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

1. (1) This Act may be cited as the *Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1973.* Short title and citation.

(2) In this Act the Iron Ore (Cleveland-Cliffs) Agreement Act, 1964-1970, is referred to as the principal Act.

(3) The principal Act as amended by this Act may be cited as the Iron Ore (Cleveland-Cliffs) Agreement Act, 1964-1973.

Commence-  
ment.

2. (1) Subject to subsection (2) of this section, this Act shall come into operation on the day on which it receives the Royal Assent.

(2) Sections 3, 4 and 6 of this Act shall come into operation on the date on which the agreement referred to in section 5 of this Act is executed pursuant to the authority of that section.

Section 2  
amended.

3. Section 2 of the principal Act is amended—

(a) by deleting the interpretation “the Agreement” and substituting the following interpretation—

“the Agreement” means the agreement a copy of which is set out in the First Schedule to this Act and, except in section 3, includes that agreement as so altered from time to time in accordance with its provisions or by any agreement between the parties thereto approved by an Act; ; and

(b) by deleting the interpretation “the variation agreement” and substituting the following interpretations—

“the first variation agreement” means the agreement a copy of which is set forth in the Second Schedule to this Act;

“the second variation agreement” means the agreement which is executed under the authority of section 3B of this Act. .

Section 3A  
amended.

4. Section 3A of the principal Act is amended by adding immediately before the word “variation” in line one, the word “first”.

5. The principal Act is amended by adding after section 3A the following new section—

Section 3B  
added.

3B. 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 the Third Schedule to this Act is authorized and when so executed is approved. .

Execution  
of variation  
agreement  
authorized,  
etc.

6. Section 5 of the principal Act is amended by deleting the words "variation agreement" and substituting the words "first variation agreement and the second variation agreement".

Section 5  
amended.

7. The principal Act is amended by adding at the end thereof the following Schedule—

Third  
Schedule  
added.

#### THIRD SCHEDULE.

AN AGREEMENT made the                    day of                    1973  
BETWEEN THE HONOURABLE JOHN TREZISE TONKIN,  
M.L.A. Premier and Treasurer of the State of Western Aus-  
tralia acting for and on behalf of the Government of the  
said State and instrumentalities thereof from time to time  
(hereinafter called "the State") of the first part and CLIFFS  
INTERNATIONAL INC. a limited company incorporated  
under the laws of the State of Ohio one of the United States  
of America and registered in the State of Western Aus-  
tralia under the provisions of the Companies Act, 1961, of  
the said State and having its registered office situate at  
12-14 Saint George's Terrace, Perth in the said State  
(hereinafter called "Cliffs") of the second part and CLIFFS  
WESTERN AUSTRALIAN MINING CO. PTY. LTD., a com-  
pany incorporated under the said Companies Act and having  
its registered office at 12-14 Saint George's Terrace, Perth  
in the said State, MITSUI IRON ORE DEVELOPMENT PTY.  
LTD., a company incorporated under the said Companies  
Act and having its registered office at 68 Saint George's  
Terrace, Perth in the said State, ROBE RIVER LIMITED, a  
company incorporated under the Companies Ordinance of  
the Australian Capital Territory and having its registered  
office at 20 O'Connell Street, Sydney in the State of New  
South Wales, and MT. ENID IRON CO. PTY. LTD., a com-  
pany incorporated under the said Companies Act and having  
its registered office at 22 Mount Street, Perth in the said  
State (hereinafter called "the Participants") of the third  
part.

WHEREAS:

- (a) By an agreement under seal dated the 18th day of November 1964 made between the State of the one part and Basic Materials Pty. Limited (hereinafter called "Basic") of the other part (which agreement was approved by and is scheduled to the Iron Ore (Cleveland-Cliffs) Agreement Act, 1964 and is hereinafter referred to as "the Agreement") Basic acquired upon the terms and conditions set forth in the Agreement certain rights interest and benefits and assumed certain obligations with respect to the exploration for and development of specified iron ore deposits and the mining transportation processing pelletising and shipment of iron ore therefrom.
- (b) By virtue of various agreements under seal Cliffs became entitled to all the right title interest claim and demand whatsoever of Basic in and under the Agreement and by virtue of deed of covenant with the State assumed the obligations of Basic thereunder.
- (c) By an agreement dated the 12th day of May, 1970 made between the State of the one part and Cliffs of the other part which is scheduled to the Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1970 (hereinafter called "the first variation agreement") the parties thereto varied the agreement as therein set out for the purposes set out in the recitals thereto. Under the provisions of the said Act and in the events which happened the first variation agreement was approved thereby on and from the 30th day of December, 1970.
- (d) By deed dated the 29th day of June, 1970 made between the State, Cliffs and the Participants, Cliffs granted and assigned to the Participants all the right title interest claim and demand of the "Company" (as defined in the Agreement) in and under the Agreement (as then or thereafter altered from time to time) except the rights of occupancy referred to therein of the mining areas therein defined and the rights to obtain mineral leases thereof as tenants in common in the following shares:

Cliffs Western Australian Mining Co. Pty. Ltd.	30%
Mitsui Iron Ore Development Pty. Ltd.	30%
Robe River Limited	35%
Mt. Enid Iron Co. Pty. Ltd.	5%

By the said deed the Participants severally covenanted and agreed with the State that such Participant should to the extent of its commitment therein set out comply with, observe and perform

the provisions of the Agreement (as then or thereafter amended) on the part of Cliffs to be complied with observed or performed in respect of the matters assigned as therein set forth to the intent that the same should be binding upon the Participants (to the extent of the commitment therein set out) in the same manner and to the same extent as if the Participants were expressly named in the Agreement.

- (e) The parties desire to add to and amend the provisions of the Agreement as amended and added to by the first variation agreement (hereinafter referred to as "the Principal Agreement").

NOW THIS AGREEMENT WITNESSETH:

1. Words and phrases to which meanings are given under clause 1 of the Principal Agreement (other than words and phrases to which meanings are given in this Agreement) shall have the same respective meanings in this Agreement as are given to them in clause 1 of the Principal Agreement.

Subject to the provisions of the deed referred to in recital (d) hereof, for the purposes of the Principal Agreement and this Agreement the expression "the Company" shall where the context so admits mean and include both Cliffs and the Participants.

2. The Principal Agreement is added to and varied as hereinafter provided and the Principal Agreement shall be read and construed accordingly.

3. The Principal Agreement is hereby amended as follows—

(1) The definition of "mining areas" in clause 1 is amended by substituting for the passage "4269H to 4273H (both inclusive)" the passage "4269H, 4270H, 4273H, 4321H, 4323H, 4324H, 4981H, 4982H, 4983H, 5733H and 5845H";

(2) by adding after clause 7 two new clauses 7A and 7B as follows—

7A. If the Company at any time during the continuance of this Agreement desires to modify expand or otherwise substantially vary its activities beyond those specified in any approved proposals the Company shall give notice of such desire to the Minister and within two months thereafter shall subject to the provisions of this Agreement submit to the Minister detailed proposals in respect of all matters covered by such notice and such of the other matters mentioned in subparagraphs (1) to (vii) inclusive of clause 5(2)(a) as the

Additional  
Proposals.

Minister may require. The provisions of clause 6 shall *mutatis mutandis* apply to detailed proposals submitted pursuant to this clause. ; and

Second  
Pellet  
Plant.

7B. The Company shall forthwith proceed to complete its investigations into the feasibility of establishing within the said State a second iron ore pellet plant and provided that the Company has entered into or intends to enter into contracts satisfactory to the Company, for the sale of iron ore pellets from the proposed second iron ore pellet plant and for financing that plant and associated facilities, the Company shall by the 31st December, 1974 (or within such extended time as the Minister may allow) submit to the Minister pursuant to clause 7A detailed proposals for the establishment of such a plant on the following basis—

- (a) the plant to have an estimated design capacity of 5 million tons of iron ore pellets per annum; and
- (b) the capital cost involved in the construction of the plant and associated facilities to be not less than one hundred million dollars (\$100,000,000).;

- (3) Clause 8(1)(a) is amended by substituting for the passage “for a period of twenty-one (21) years commencing from the commencement date” in lines nineteen and twenty, the passage

“for a period commencing—

- (i) on the 31st day of October, 1970, in respect of any part of the mining areas existing prior to the date of the execution of the agreement entered into pursuant to the Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1973; and
- (ii) on the date of execution of that agreement, in respect of any other part of the mining areas—

and expiring on the 30th day of October, 1991”;

- (4) Clause 9(2)(j) is amended—

- (a) by substituting for the passage commencing with the word “prices” in line eight of subparagraph (x) and ending with the passage “1963.” in the last line of that subparagraph, the passage “prices payable for

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 last full calendar year preceding the date at which the adjustment is to be made as compared with the average of those prices for the calendar year 1963.”; and

- (b) by substituting for the passage commencing with the word “prices” in line seven of subparagraph (xi) and ending with the passage “1968.” in the last line of that subparagraph, the passage “prices payable for 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 last full calendar year preceding the date at which the adjustment is to be made as compared with the average of those prices for the calendar year 1968.”;
- (5) Clause 9 (2) (1) is amended by deleting the words “commencing on and accruing from the commencement date” in lines five and six;
- (6) Paragraph (a) of clause 10 is deleted and the following paragraph substituted—
- (a) (i) that subject to and in accordance with Power. proposals approved or determined under this Agreement the Company for its purposes hereunder and for domestic and other purposes in relation to a townsite may to the extent determined by the Minister but notwithstanding any Act generate transmit supply and charge for electrical energy and the Company shall have all such powers and authorities with respect to electrical energy as are determined by the Minister for the purposes hereof which may include the powers of a supply authority under the Electricity Act, 1945;
- (ii) that subject to and in accordance with Water for  
mining  
areas. proposals approved or determined under this Agreement the Company for its purposes hereunder in relation to its requirements for water in the mining areas and for domestic and other purposes in relation to any townsite associated with the mining areas, may to the extent determined by the Minister but

notwithstanding any Act bore for water construct catchment areas store (by dams or otherwise) take and charge for water from any Crown lands available for the purpose and the Company shall have all such powers and authorities with respect to water as are determined by the Minister for the purposes hereof which may include the powers of a water board under the Water Board Act, 1904;

Water for  
the port  
and port  
townsite.

- (iii) that the rights and obligations of the Company in respect to the supply of water at the industrial area at Cape Lambert for its purposes and operations under the Agreement and at the port townsite for domestic and other purposes in relation to a townsite and the rights and obligations of the State with respect to the supply of water for such purposes contained in the deed dated as of the                      day of 1973 and made between the State on the one part and the Participants of the other part; ; and

- (7) by adding after clause 11 a new clause 11A as follows—

Environ-  
mental  
Protection.

11A. Nothing in this Agreement shall be construed to exempt the Company from compliance with any requirement in connection with the protection of the environment arising out of or incidental to the operations of the Company 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.

4. The Schedule to the Principal Agreement is deleted and the following schedule substituted—

SCHEDULE  
WESTERN AUSTRALIA  
IRON ORE (CLEVELAND-CLIFFS) AGREEMENT  
ACT, 1964-1973  
MINERAL LEASE

Lease No.

Goldfield

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 GREETINGS: KNOW YE that WHEREAS by an Agreement made the 18th day of November, 1964 between the State of Western Australia of the one part and BASIC MATERIALS PTY. LIMITED (hereinafter called "Basic") of the other part the said State agreed to grant to Basic a mineral lease of portion or portions of the lands referred to in the said Agreement as "the mining areas" AND WHEREAS the said Agreement was ratified by the Iron Ore (Cleveland-Cliffs) Agreement Act, 1964 which said Act (*inter alia*) authorised the grant of a mineral lease to Basic its successors and assigns AND WHEREAS by virtue of various agreements under seal CLIFFS INTERNATIONAL, INC. a limited company incorporated under the laws of the State of Ohio one of the United States of America and registered in the State of Western Australia under the provisions of the Companies Act, 1961 of the said State and having its registered office situate at 12-14 Saint George's Terrace, Perth in the said State (hereinafter called "Cliffs") became entitled to all the rights title interest claim and demand whatsoever of Basic in and under the said Agreement and additions and variations thereto as set out in the agreements scheduled to the Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1970 and the agreement executed pursuant to the Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1973 (the three agreements scheduled to or executed pursuant to the said Acts are hereinafter referred to as "the said Agreements") NOW WE in consideration of the rents and royalties reserved by and of the provisions of the said Agreements and in pursuance of the said Acts DO BY THESE PRESENTS GRANT AND DEMISE unto Cliffs subject to the said provisions ALL THOSE pieces and parcels of land situated in the

Goldfield containing approximately

(subject to such corrections as may be necessary to accord with 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 Cliffs is entitled under the said Agreements. TO HOLD the said lands and mine and all and singular the premises hereby demised for a period commencing—

- (i) on the 31st day of October, 1970, in respect of any part of the mining areas existing prior to the date of the execution of the agreement entered into pursuant to the Iron Ore (Cleveland-Cliffs) Agreement Act Amendment Act, 1973; and

(ii) on the date of execution of that agreement, in respect of any other part of the mining areas—

and expiring on the 30th day of October, 1991 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 terms covenants and conditions set out in the said Agreements and to the Mining Act (as modified by the said Agreements) YIELDING and paying therefor the rent and royalties as set out in the said Agreements. AND WE do hereby declare that this lease is subject to the observance and performance by Cliffs of the following covenants and conditions, that is to say:—

1. Cliffs shall and will use the land *bona fide* exclusively for the purposes of the said Agreements.
2. Subject to the provisions of the said Agreements Cliffs shall and will observe, perform and carry out the provisions of the Mines Regulation Act, 1946, and all amendments thereof for the time being in force and the regulations for the time being in force made thereunder and subject to and also as modified by the said Agreements the Mining Act so far as the same affect or have reference to this lease.
3. Cliffs shall if the Minister for Mines determines during the term of this lease (but not in respect of any renewed term) pay to the previously registered occupant of Temporary Reserve 4321H, 4322H, 4323H, 4324H, 4981H, 4982H, and 4983H such amount as the Minister for Mines may approve towards expenditure incurred by such occupant on the exploration of the said reserves.
4. Cliffs shall if the Minister for Mines so determines during the term of this lease or any renewed term pay to the previously registered occupant of Temporary Reserves 4321H, 4322H, 4323H, 4324H, 4981H, 4982H and 4983H a royalty at a rate of 0.25 per centum per ton on the value of iron ore (as determined by the Minister for Mines) shipped or sold by Cliffs from the land formerly comprised in the said reserves during the first twenty-one year production period but no longer.

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 Agreements.

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 seal of Cliffs has been affixed hereto this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

THE SCHEDULE ABOVE REFERRED TO:

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 said THE }  
HONOURABLE JOHN TREZISE }  
TONKIN, M.L.A., in the presence }  
of— }

Minister for Development  
and Decentralisation.

Minister for Mines.

Signed by W. E. DOHNAL pur- }  
suant to and with the Authority }  
of a resolution of the Board of }  
Directors of CLIFFS INTER- }  
NATIONAL INC. in the presence }  
of— }

The Common Seal of CLIFFS }  
WESTERN AUSTRALIAN MIN- }  
ING CO. PTY. LTD. was hereunto }  
affixed by Authority of the }  
Directors and in the presence }  
of— }

Director.

Secretary.

The Common Seal of MITSUI  
IRON ORE DEVELOPMENT  
PTY. LTD, was hereunto affixed  
by Authority of the Directors  
and in the presence of—

Director.

Secretary.

The Common Seal of ROBE  
RIVER LIMITED was hereunto  
affixed by Authority of the  
Directors and in the presence  
of—

Director.

Secretary.

The Common Seal of MT. ENID  
IRON CO. PTY. LTD, was here-  
unto affixed by Authority of the  
Directors and in the presence  
of—

Director.

Director.