

44/82

ON APPEAL FROM THE SUPREME COURT
OF NEW SOUTH WALES EQUITY DIVISION
IN PROCEEDINGS 1691 OF 1979

NEWMONT PROPRIETARY LIMITED

I.C.I. AUSTRALIA LTD.

H.C. SLEIGH RESOURCES LTD.

(Appellants) (Plaintiffs)

LAVERTON NICKEL N.L.

NICKEL MINES LIMITED

LEONORA NICKEL N.L.

ESSO EXPLORATION & PRODUCTION AUSTRALIA INC.

(Respondents) (Defendants)

TRANSCRIPT RECORD OF PROCEEDINGS

VOLUME II
PART II

SOLICITORS FOR THE APPELLANTS

Colin Biggers & Paisley,
33 Bligh Street,
SYDNEY.

By their Agents:

Freshfields,
Grindall House,
25 Newgate Street,
LONDON. EC1A 7LH U.K.

SOLICITORS FOR THE RESPONDENTS

(1ST, 2ND & 3RD DEFENDANTS)

Colin W. Love & Co.,
135 Macquarie Street,
SYDNEY.

By their Agents:

Reynolds Porter Chamberlain,
Chichester House,
278 High Holborn,
LONDON. WC1 7HA U.K.

SOLICITORS FOR THE RESPONDENT

(FOURTH-NAMED DEFENDANT)

Cutler Hughes & Harris,
53 Martin Place,
SYDNEY.

By their Agents:

Bircham & Co.,
1 Dean Farrar Street,
WESTMINSTER. SW1DDY U.K.

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THIS AGREEMENT is made the 3rd day of November
one thousand nine hundred and seventy-eight BETWEEN WILLIAM
JAMES HAMILTON, of 1 York Street, Sydney (hereinafter called
"Hamilton") of the first part, NEWMONT PROPRIETARY LIMITED of
535 Bourke Street, Melbourne (hereinafter called "Newmont") of
the second part, ICI AUSTRALIA LIMITED of 1 Nicholson Street,
Melbourne (hereinafter called "ICI") of the third part and
H.C. SLEIGH RESOURCES LIMITED of 160 Queen Street, Melbourne
(hereinafter called "HCS") of the fourth part.

WHEREAS:-

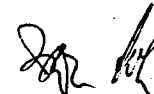
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A. The Party of the first part has been appointed Provisional
Liquidator of Laverton Nickel N.L. (hereinafter called
"Laverton") pursuant to a petition for the winding up of
Laverton.

B. The Parties of the second, third and fourth part have
entered into an Agreement (hereinafter referred to as
"the Joint Venture Agreement") dated the 3rd day of
November 1978 with Laverton and Nickel Mines
Limited (hereinafter called "Nickel Mines") under the
terms of which the Parties of the second, third and
fourth part acquire an interest in and make certain
undertakings in relation to certain assets of Laverton
and Nickel Mines.

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C. The aforesaid Joint Venture Agreement is conditional upon
the Agreement of the Party of the first part to the terms
herein contained.



NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

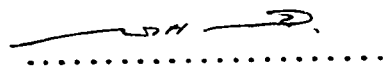
Hamilton hereby covenants that in the event that he exercises or proposes to exercise the right of sale if any of the shareholding of James Joseph Lynch in Nickel Mines pursuant to the terms of the Deed dated the Twentieth day of September 1978 between Hamilton, Nickel Mines and James Joseph Lynch that any such sale shall be for a cash consideration only and, save and except with respect to a sale of the aforesaid shareholding to Laverton, Hamilton undertakes to provide Newmont, ICI and HCS with full written details and copies of all proposed documentation and full identification of all third party purchasers of the aforesaid shareholding and shall offer the shareholding to Newmont, ICI and HCS upon the same terms and conditions as he proposed to sell the same to such third party purchaser. Such offer shall remain open for forty-five (45) days and if accepted by one or more of Newmont, ICI and HCS, Hamilton shall sell the aforesaid shareholding to the Parties accepting the offer in the proportions that their respective interests under the Joint Venture Agreement bear to each other at the time upon the terms mutatis mutandis contained in the documentation provided by Hamilton pursuant to this Clause.

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IN WITNESS whereof the Parties hereto have hereunto affixed their hands and seals on the day and year first hereinbefore written.

SIGNED SEALED AND DELIVERED)
by the said WILLIAM JAMES)
HAMILTON in the presence of:)



THE CORPORATE SEAL of NEWMONT
PROPRIETARY LIMITED
was hereunto affixed by
authority of the Board of
Directors given on January
24, 1967.

John L. ...
.....
.....

THE COMMON SEAL of ICI
AUSTRALIA LIMITED
was hereunto affixed by the
authority of the Director
whose signature appears
hereunder.

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Arthur Hamer
.....
Director

John G. ...
.....
Assistant Secretary

THE COMMON SEAL of H.C. SLEIGH
RESOURCES LIMITED
was hereunto affixed by
Authority of the Directors
in the presence of:



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W. ...
.....
Director

W. ...
.....
Secretary

W. ...
.....
Director

LIONTOWN
JOINT VENTURE AGREEMENT

between

LAVERTON NICKEL N.L.
(Provisional Liquidator Appointed)

NICKEL MINES LIMITED
(Provisional Liquidator Appointed)

NEWMONT PROPRIETARY LIMITED

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ICI AUSTRALIA LIMITED

and

H.C. SLEIGH RESOURCES LIMITED

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1. INTRODUCTION

1.1 Date

This Agreement is made as at the 3rd day of
November One thousand nine hundred and seventy-
eight.

1.2 Parties

This Agreement is made between:-

1.2.1 LAVERTON NICKEL N.L. (Provisional Liquidator
Appointed), hereinafter called "Laverton", a
company constituted under the laws applicable
in New South Wales with an office to which
notices will be sent care of Hamiltons, 1
York Street, Sydney, New South Wales of the
first part;

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1.2.2 NICKEL MINES LIMITED (Provisional Liquidator
Appointed), hereinafter called "Nickel Mines",
a company constituted under the laws applicable
in the State of New South Wales with an
office to which notices will be sent care of
Wallace McMullin & Smail, 52 Phillip Street,
Sydney, New South Wales of the second part;

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1.2.3 NEWMONT PROPRIETARY LIMITED, hereinafter
called "Newmont", a corporation constituted
under the laws applicable in the State of
Delaware, United States of America, and being
registered as a foreign company in the State
of Victoria with its registered office at 535
Bourke Street, Melbourne, Victoria of the
third part;

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1.2.4 ICI AUSTRALIA LIMITED, hereinafter called
"ICI" a company incorporated under the laws
applicable in the State of Victoria with its
registered office at 1 Nicholson Street,
Melbourne, Victoria of the fourth part;

1.2.5 H.C. SLEIGH RESOURCES LIMITED, hereinafter
called "HCS", a company incorporated under
the laws applicable in Tasmania with its
registered office at 160 Queen Street,
Melbourne, Victoria of the fifth part;

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and their respective successors and permitted assigns.

1.3 Background and Purposes

This Agreement witnessess that, whereas:-

1.3.1 The Parties hereto have agreed to carry out
as a Joint Venture the exploration evaluation
and, if warranted, development of any mineral
deposits discovered in the Designated Area as
hereinafter defined; and

20

1.3.2 The purpose of this Agreement is to provide
for the Joint Venture between Laverton,
Nickel Mines, Newmont, ICI and HCS for imple-
menting the objectives referred to in this
Agreement, upon the terms and subject to the
conditions contained in this Agreement;

therefor, the Parties agree and declare as provided in
this Agreement.

2. DEFINITIONS

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2.1 In this Agreement unless the context otherwise requires:-

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Exhibit "A" - Liantown
Joint Venture Agreement

- 3 -

2.1.1 "Approved Programme" means, in any relevant case, a programme and budget as referred to in Clause 5.1 which has been approved by the Representatives pursuant to the provisions of Clause 5.1.3 in such case;

2.1.2 "Commencement Date" means the date on which this Agreement ceases to be conditional in terms of Clause 3.1 hereof and upon that date this Agreement shall be deemed to relate back to and take effect from the First day of November 1978;

10

2.1.3 "Contributing Proportion" means the share, expressed as a percentage of the cost of any Approved Programme being carried out hereunder, which a Party is liable to contribute to in accordance with Clause 5.2;

2.1.4 "Contributing Parties" means the Parties to this Agreement who are liable to bear a share of the cost of Approved Programmes under Clause 5.1.4;

20

2.1.5 "Designated Area" means the whole of the land outlined in black on the First Schedule hereto;

2.1.6 "Force Majeure" shall include but not be limited to an Act of God, strike, lockout, act of the public enemy, war, blockade, revolution, riot, insurrection, civil commotion, lightning, fire, storms, flood, explosion, governmental restraint or restrictions.

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embargoes, unavailability of equipment and any other cause which is not reasonably within the control of the Party claiming suspensions;

2.1.7 "Interest" means the agglomeration of interests and rights subject to the obligations and liabilities to which each of the Parties is entitled under this Agreement for the time being and from time to time;

10

2.1.8 "Joint Venture" means the joint venture between the Parties established and constituted by this Agreement;

2.1.9 "Manager" means the Party for the time being appointed and acting as the manager of the Joint Venture pursuant to Clause 4.1;

2.1.10 "Mining Titles" means the Mining Leases specified on the Second Schedule hereto situated in the Charters Towers District in the State of Queensland (including any modifications thereto, renewals thereof or substitutions therefor) and any Mining Leases, Authorities to Prospect and other mineral tenements and interests therein which shall have become mining titles for the purposes of the Joint Venture pursuant to the provisions of Clauses 8.1 and 8.2 as for the time being shall be in existence and shall not have been disposed of by the Joint Venture pursuant to and in accordance with this Agreement;

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Exhibit "A" - Liantown
Joint Venture Agreement

- 5 -

- 2.1.11 "Quarter" means a period of three (3) consecutive months commencing on the first day of January, April, July, and October in any year;
- 2.1.12 "Related Company" in relation to a corporation has the meaning ascribed to it by Section 6 of the Companies Act 1961 of the State of New South Wales; 10
- 2.1.13 "Representative" means the person for the time being appointed pursuant to Clause 4.3;
- 2.1.14 "Majority Vote" means a majority of the votes cast by Representatives or their nominees at a meeting of Representatives pursuant to the provisions of Clause 4.4.4;
- 2.1.15 "Date of Commencement of Commercial Scale Mining Operations" means the first day of the first Quarter in which output of Processed Product from the Development first achieves seventy percent (70%) of the proposed designed capacity of such Development as referred to in the economic feasibility study prepared by the Manager pursuant to Clause 7.1.4 hereof; 20
- 2.1.16 "Net Cash Flow" means the amount computed pursuant to Clause 7.3.2 hereof;
- 2.1.17 "Equalisation Date" means the date determined pursuant to Clause 7.3.3 hereof;
- 2.1.18 "Parties" means subject to the provisions of Clause 9, Laverton, Nickel Mines, Newmont, ICI and HCS and their respective successors 30

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in title in accordance with this Agreement.

"Party" shall have a corresponding meaning;

2.1.19 "Development" means the facilities and operations for the commercial exploitation of mineral occurrences in the Designated Area;

2.1.20 "Processed Product" means the marketable product produced from the Development.

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2.2 References

For the purposes of this Agreement except to the extent that the subject matter or context may otherwise require:-

2.2.1 Expressions indicating the singular number shall be capable of indicating the plural number, and vice versa;

2.2.2 Expressions indicating the masculine gender shall also be capable of indicating and including the feminine and neuter genders;

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2.2.3 Expressions indicating natural persons shall also be capable of indicating bodies corporate and vice versa;

2.2.4 References to any statutory enactment of the Commonwealth of Australia or any State or Territory thereof shall mean the statutory enactment as amended modified or re-enacted (in a similar form) from time to time;

2.2.5 Headings shall not form part of this Agreement and shall not be relevant to the construction hereof;

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2.2.6 References in this Agreement shall be deemed to include this Agreement as from time to time modified or varied by mutual consent of the Parties.

3. JOINT VENTURE

3.1 Constitution

3.1.1 Laverton, Nickel Mines, Newmont, ICI and HCS hereby associate in a Joint Venture upon the terms and subject to the conditions provided for in this Agreement; 10

3.1.2 This Agreement is conditional on the following:-

3.1.2.1 the approval of the Reserve Bank of Australia;

3.1.2.2 the Treasurer not making an order under Part II of the Foreign Takeovers Act, 1975;

3.1.2.3 the approvals or consents of the Equity Division of the Supreme Court of New South Wales; 20

3.1.2.4 the approval or consent of the Hon. Minister for Mines and Energy in the State of Queensland.

If any one of such consents or approvals is not granted or if the Treasurer shall make an order as aforesaid within twelve (12) months of the date hereof, this Agreement shall cease to have any force or effect, provided always however that any payments made pursuant

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Exhibit "A" - Liontown
Joint Venture Agreement

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to Clause 5.4 hereof shall remain the property
of Laverton and Nickel Mines;

3.1.3 This Agreement is also conditional upon the
execution no later than ten (10) days from
the date hereof by William James Hamilton,
Newmont ICI and HCS of an agreement in the
form of the Third Schedule hereto;

10

3.1.4 Subject to the provisions of Clause 11.11.2
hereof, in the event that this Agreement
ceases to have full force and effect under
Clause 3.1.2 or 3.1.3 the Mining Titles will
forthwith revert to the original holders and
expenditure during the twelve (12) month
period shall be borne by each Party in accor-
dance with their respective Contributing
Proportions;

3.1.5 Newmont covenants to make all applications
for approval which it considers necessary
pursuant to Clauses 3.1.2.1, 3.1.2.2 and
3.1.2.4 and Laverton and Nickel Mines covenant
to make all applications for approval and do
all such other acts and things related thereto
which they, Newmont, ICI or HCS consider
necessary pursuant to Clause 3.1.2.3 as soon
as practicable but not later than two (2)
months after the date hereof and they shall
advise the other Parties in writing as soon
as practicable after the receipt of any
consent so applied for.

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3.2 Objects

The objects of the Joint Venture are to prospect and explore for and if warranted develop and exploit any mineral deposits within the Designated Area which are determined by the Parties in accordance with the provision of Clause 7 hereof to be capable of economic exploitation.

3.3 Interests of Parties

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3.3.1 The respective percentage Interests of the Parties in the Joint Venture unless and until varied as provided in this Agreement, shall be:-

3.3.1.1 Laverton - twenty percent (20%);

3.3.1.2 Nickel Mines - twenty percent (20%);

3.3.1.3 Newmont - thirty-six percent (36%);

3.3.1.4 ICI - eighteen percent (18%);

3.3.1.5 HCS - six percent (6%).

3.3.2 Subject as otherwise expressly provided in this Agreement, the Interest to which each of the Parties shall be entitled under this Agreement shall be an undivided Interest as tenant in common with the other Parties in the Mining Titles and in all minerals derived by the Parties from the Designated Area and in all plant, machinery, equipment, tools, moneys and other property and assets of whatsoever nature real or personal acquired for the time being for the purposes of the Joint Venture and not disposed of in the course of carrying on the Joint Venture.

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4. MANAGEMENT AND REPRESENTATIVES

4.1 Manager

4.1.1 The Manager of the Joint Venture shall be appointed to and continue in that position until the happening of the first to happen of the following events, namely:-

- 4.1.1.1 the resignation of the Manager at any time from the office as manager of the Joint Venture upon giving to the other Parties not less than ninety (90) days prior notice in writing to that effect; 10
- 4.1.1.2 the giving by the Manager of a notice of withdrawal from the Joint Venture pursuant to the provisions of Clause 9.1;
- 4.1.1.3 the forfeiture by the Manager of its Interest in the Joint Venture pursuant to the provisions of Clause 9.2; 20
- 4.1.1.4 the assignment by the Manager of the whole of its Interest in the Joint Venture pursuant to the provisions of Clause 10.1 being other than an assignment to a Related Company of the Manager pursuant to the provisions of Clause 10.1.1; 30



4.1.1.5 the Manager and/or its Related Company ceasing to hold any Interest in the Joint Venture in any other manner whatsoever;

4.1.1.6 the Manager is wound up, has a Receiver or Receiver and Manager appointed to any part or the whole of its assets or goes into official management or enters into an arrangement pursuant to Section 181 of the Companies Act 1961 of the State of New South Wales.

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4.1.2 Newmont shall be the first Manager of the Joint Venture, and upon Newmont or any subsequent Manager ceasing to be Manager of the Joint Venture, the Manager thereafter shall be such willing one of the Contributing Parties as is from time to time chosen by one (1) or more of the Contributing Parties for the time being holding or holding between them a majority of the total Contributing Proportions in the Joint Venture.

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4.2 Functions of Manager

4.2.1 The Manager of the Joint Venture in such capacity shall, subject as otherwise expressly provided in this Agreement, have the exclusive control and supervision of the carrying out of operations of the Joint Venture pursuant to this Agreement.

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4.2.2 The Manager shall proceed, through its servants, agents and/or independent contractors, to prospect and explore for and develop and exploit any mineral occurrences in the Designated Area, but only in accordance with Approved Programmes and shall ensure that:-

4.2.2.1 the activities of the Joint Venture are conducted in an efficient and workmanlike manner in accordance with good exploration and mining practice and in compliance with the terms of the Mining Titles and in accordance with all relevant statutory requirements;

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4.2.2.2 the other Parties are kept fully informed on all current material matters arising out of the activities of the Joint Venture and, in addition, are furnished with full reports on the said activities, the results thereof and the Expenditure of the Joint Venture at calendar monthly intervals as may be decided from time to time by the Representatives;

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4.2.2.3 proper records (including all appropriate maps, geological, geophysical and geochemical data, trenching and drill hole data, analyses, surveys, reports, mining and production and processing

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results and accounts of the Joint Venture and all other information and data) relating to the Joint Venture and the activities and operations of the Joint Venture are kept in an up to date condition and such records are open for inspection by duly authorised officers of the other Parties at such place in Australia as the Manager chooses and that the other Parties are advised in writing of such choice;

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4.2.2.4 the books of account, registers and other records of the Joint Venture and of the Manager in so far as the same relate to the Joint Venture are audited annually and no later than the Thirty-first day of December in each year by independent auditors nominated for the time being by the Manager and agreed upon by the other Parties which agreement shall not be unreasonably withheld and the other Parties are furnished with certificates given by such auditors as to the results of their audit;

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4.2.2.5 all customary insurances and such additional insurances as the Manager considers desirable are effected

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and maintained in respect of the activities and operations and assets and facilities of the Joint Venture in accordance with the Parties' respective insurable Interests;

4.2.2.6 the other Parties shall have the right to enter into the Designated Area at all reasonable times and by prior arrangement with the Manager to inspect operations and facilities of the Joint Venture, provided that any such entry and inspection, except where otherwise agreed by the Representatives, shall be at the sole risk and expense of the Party entering and inspecting.

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4.3 Representatives

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4.3.1 Each of the Parties holding an Interest in the Joint Venture shall act through one (1) Representative duly appointed by that Party by notice in writing to the other Parties, whose powers and authority to act shall not be constrained by the provisions of Clause 4.4 except for the purposes of:-

4.3.1.1 agreeing to forfeit the Interest in the Joint Venture of any defaulting Party pursuant to Clause 9.2;

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4.3.1.2 consenting to any assignment of the



Interest of any Party to the Joint
Venture pursuant to Clause 10.1;

- 4.3.1.3 agreeing to terminate this Agreement
and the Joint Venture;
- 4.3.1.4 modifying or amending the provisions
of this Agreement.

4.3.2 Any Representative may orally or in writing
nominate another person or Representative to
act on his behalf at any meeting or meetings
and such other person or Representative shall
be entitled so to act, if nominated in writing,
upon production of the nomination, and if
nominated orally, upon all other Representa-
tives present at the relevant meeting or
meetings agreeing to accept such nomination.

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4.3.3 All Representatives appointed pursuant to the
provisions of Clause 4.3.1 and all other
persons nominated to act on behalf of any
Representative pursuant to the provisions of
Clause 4.3.2 shall be natural persons.

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4.4 Meetings and Decisions of Representatives

4.4.1 Any Party may, at any time, by notice in
writing to the Manager, which notice shall
specify the general nature of the business
the Party desires to be transacted thereat,
request that the Manager convene a meeting of
the Representatives and the Manager shall
convene such a meeting accordingly. In the
event that no Party has convened a meeting of

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Representatives in any period of twelve (12) months, then unless otherwise agreed by all the Parties, the Manager shall thereupon convene such a meeting. All meetings of Representatives shall, unless otherwise agreed by all the Representatives, be held at such place in Australia as the Manager chooses and upon making a choice for such purpose, the Manager will in writing advise the Representatives of such choice.

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4.4.2 Not less than fourteen (14) days prior written notice shall be given to the Parties of all meetings specifying the general nature of the business to be transacted thereat, and unless otherwise agreed unanimously by the Representatives of all Parties, no business other than that specified shall be transacted at the relevant meeting. If all the Representatives agree, notice of any meeting and of specific items of business may be waived.

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4.4.3.1 The quorum for meetings shall be two (2) Representatives.

4.4.3.2 If within half an hour from the time appointed for a meeting of Representatives a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for such adjourned meeting, the Representatives present

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John *W*

shall be deemed to be a quorum.

4.4.3.3 A meeting of the Representatives at which a quorum is present or deemed to be present in accordance with the provisions of Clause 4.4.3.2 shall be empowered to exercise all of the functions vested in the Representatives by this Agreement, and decisions of the Representatives shall be binding on all Parties. 10

4.4.4 Except where it is expressly provided in this Agreement that any decision, agreement or approval of the Parties or the Representatives is to be unanimous, decisions taken by the Representatives in relation to the Joint Venture shall be by Majority Vote. Each of the Representatives present at any meeting shall at that meeting be entitled to a number of votes corresponding to the percentage Contributing Proportion in the Joint Venture for the time being of the Party which appointed him. A Representative acting on behalf of another Representative and nominated pursuant to Clause 4.3.2 shall be entitled to vote on behalf of the Representative who nominated him as well as on his own behalf. 20

4.4.5 The Representative appointed by the Manager for the time being of the Joint Venture shall be entitled to be chairman of all meetings of Representatives, but as such, shall not be entitled to any casting vote or votes in 30

John *Lee*

addition to the votes to which he is entitled under Clause 4.4.4.

4.4.6 Minutes of the proceedings at meetings of Representatives shall be kept and copies thereof circulated by the Manager within thirty (30) days after such meeting to all Parties for review, comment and/or approval by their Representatives as a correct record of such proceedings. Minutes of a meeting which have been circulated to all Parties and, where appropriate amended to incorporate their comments and thereafter signed by the chairman of the meeting or the next succeeding meeting shall be deemed approved by all Parties and accepted as prima facie evidence of the business transacted at such meeting.

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5. PROGRAMMES AND CONTRIBUTIONS AND EXPENDITURE ETC.

5.1 Work Programmes and Budgets

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5.1.1 All activities of the Joint Venture from time to time shall be carried out pursuant to and in compliance with Approved Programmes relating to such activities for the time being. Each such Approved Programme shall be a programme and budget which has been prepared and approved in accordance with the provisions of this Clause 5.1.

5.1.2 The Manager shall from time to time prepare and submit for consideration at meetings of the Representatives programmes for the proposed

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prospecting, exploration, investigation, development and exploitation to be carried out in respect of the Designated Area together with budgets showing the estimated expenditure in respect of each such programme. Such programmes and budgets shall be prepared in respect of periods of six (6) months commencing on the First day of July or January in each year, provided that the Manager may from time to time prepare and submit supplementary or revised programmes and budgets in respect of shorter periods, and all such programmes and budgets shall be submitted to the Parties at least twenty-eight (28) days before the commencement of the relevant period.

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5.1.3

The Manager shall convene a meeting of the Representatives not later than fourteen (14) days after the submission of any programme or budget referred to in Clause 5.1.2 at which the Representatives shall advise the Manager of any suggested modifications or variations. The particulars of the programme or budget to be adopted shall be determined by a Majority Vote of the Representatives pursuant to Clause 4.4.4.

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5.1.4

Upon approval of any programme and budget or any variation thereof, then subject to the provisions of Clause 5.2, each of the Parties as shall not have given a notice under Clause 9.1 shall be liable to bear its Contributing

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Proportion of the cost thereof.

5.1.5 The Manager will ensure that, except with the approval of the Representatives, expenditures on any of the Approved Programmes will not be exceeded by more than ten percent (10%).

5.2 Contributions

5.2.1 The Manager may as and when required to meet expenditure on Approved Programmes (but not more than thirty (30) days in advance of any monthly period) request contributions of funds from the Contributing Parties liable therefor and the funds so required shall be contributed by such Parties by payment to the Manager within thirty (30) days after the date of the request. The Manager shall hold such funds for the benefit of the Contributing Parties and meet the costs of Approved Programmes from such funds. Notwithstanding the provisions of Clauses 5.2.2 and 9.2 any amounts not duly contributed as above provided shall bear interest at the rate of fifteen percent (15%) per annum from the expiration of the said thirty (30) days during the period it is overdue.

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5.2.2 If any Party shall fail to make any contribution as and when the same ought to be made in accordance with the provisions of Clause 5.2.1, without prejudice to the provisions of Clauses 5.2.1 and 9.2, the other Parties shall be entitled to either:-

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John *Mc*

5.2.2.1 take proceedings to enforce the making of such contribution; or

5.2.2.2 without limiting or restricting any other rights or recourse they may have, the other Parties may instruct the Manager to retain all of the Processed Product to which a Party in breach of this Clause may otherwise be entitled until such time as the Party in breach of the Clause shall have made payment of all amounts due together with any interest thereon calculated in accordance with Clause 5.2.1. The Manager shall, by notice in writing, advise the Party in breach of the Clause of such retention and in the event that such Party fails to make all contributions then due no later than thirty (30) days from the date of notice issued hereunder then the Manager shall be entitled to dispose of the Processed Product then retained and to apply the proceeds from such disposal to settlement of the Party's contributions in arrears plus accrued interest thereon calculated in accordance with Clause 5.2.1 at the date of the notice issued hereunder and pay the

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balance, if any, to the Party in
default.

5.2.3 Notwithstanding the foregoing sub-clauses of
this Clause, Laverton and Nickel Mines shall
not be obliged to contribute to the Joint
Venture until Newmont, ICI and HCS have
contributed and expended by way of expenditure
on Approved Programmes an aggregate amount of
two million eight hundred thousand dollars
(\$2,800,000) at not less than the following
rate, namely:-

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5.2.3.1 an initial amount of two hundred
and eighty thousand dollars (\$280,000)
within the period commencing on the
First day of November 1978, and
terminating no later than eighteen
(18) months after the date (herein-
after called "the key date") on
which the last of the approvals or
consents referred to in Clause
3.1.2.3 hereof are obtained;

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5.2.3.2 a further amount of two hundred and
fifty thousand dollars (\$250,000)
within the period commencing on the
date on which Joint Venture expendi-
tures aggregate two hundred and
eighty thousand dollars (\$280,000),
and terminating no later than
thirty (30) months after the key
date;

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5.2.3.3 a further amount of two hundred and seventy thousand dollars (\$270,000) within the period commencing on the date on which Joint Venture expenditures aggregate five hundred and thirty thousand dollars (\$530,000), and terminating no later than forty-two (42) months after the key date;

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5.2.3.4 a further amount of two million dollars (\$2,000,000) within the period commencing on the date on which Joint Venture expenditures aggregate eight hundred thousand dollars (\$800,000), and terminating no later than sixty (60) months after the key date.

5.3 Expenditure

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5.3.1 Except as hereinafter specifically provided, expenditure to be borne by the Parties hereto in proportion to their respective Contributing Proportions from time to time shall be all expenditure necessarily incurred in carrying out activities hereunder and without limiting the generality hereof shall include the costs involved in taking up or acquiring a New Interest pursuant to Clause 8.1.2 if such New Interest is included in the Joint Venture and items set out in the Fourth Schedule.

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5.3.2 Such expenditure shall not include any payments made pursuant to Clause 5.4 hereof or any expenses incurred in connection with meetings of Representatives or any portion of the costs incurred by the individual Parties hereto in relation to operations hereunder except in relation to any services performed by any Party at the request of the Representatives or the Manager.

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5.4 Payments to Laverton and Nickel Mines

During the continuance of the Joint Venture, Newmont, ICI and HCS shall make the following payments to each of Laverton and Nickel Mines in consideration for the establishment of the Joint Venture:-

5.4.1 the sum of thirty-seven thousand five hundred dollars (\$37,500) no later than fourteen (14) days after the key date;

5.4.2 the sum of thirty-seven thousand five hundred dollars (\$37,500) on or before the first anniversary date of the payment referred to in Clause 5.4.1 hereof;

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5.4.3 the sum of fifty thousand dollars (\$50,000) on or before the second and each subsequent anniversary date of the payment referred to in Clause 5.4.1 hereof until the Date of Commencement of Commercial Scale Mining Operations by the Parties hereto in the Designated Area.

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6. VARIATIONS OF CONTRIBUTIONS

6.1 Elections by Laverton and Nickel Mines

6.1.1 After expenditure of two million eight hundred thousand dollars (\$2,800,000) by Newmont, ICI and HCS, pursuant to Clause 5.2.3 hereof, the Manager shall by notice in writing advise Laverton and Nickel Mines of the aforesaid expenditure together with an estimate of the Contributing Proportion of Laverton and Nickel Mines to any uncompleted Approved Programme at the date of that notice.

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6.1.2 No later than thirty (30) days from the date of a notice issued pursuant to Clause 6.1.1 hereof, Laverton and Nickel Mines may elect by notice in writing to the Manager not to contribute to Joint Venture expenditures until the issue of a notice by the Manager pursuant to Clause 7.2.1 hereof. As from the date of an election by Laverton and/or Nickel Mines hereunder, Newmont, ICI and HCS shall be liable for the electing Party's Contributing Proportion of all Approved Programmes until the issue of a notice pursuant to Clause 7.2.1 hereof.

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6.1.3 In the event that a notice is issued by the Manager pursuant to Clause 7.2.1 hereof, Laverton and/or Nickel Mines may elect by notice in writing issued no later than ninety (90) days after the date of the notice issued

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by the Manager pursuant to Clause 7.2.1 hereof not to contribute to Joint Venture expenditures until the Date of Commencement of Commercial Scale Mining Operations. As from the date of election by Laverton and/or Nickel Mines hereunder, Newmont, ICI and HCS shall be liable for the electing Parties' Contributing Proportion of Approved Programmes from the date of the notice issued by the Manager pursuant to Clause 7.2.1 hereof and the Date of Commencement of Commercial Scale Mining Operations.

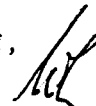
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6.1.4 Notwithstanding anything to the contrary herein contained, Laverton and/or Nickel Mines elections under Clause 6.1.2 and 6.1.3 hereof shall be restricted to their initial twenty percent (20%) Interests in the Joint Venture. Any additional Interest acquired by Laverton and/or Nickel Mines in the Joint Venture howsoever shall not attract or carry with it the right to elect not to contribute to Approved Programmes under Clauses 6.1.2 and 6.1.3. Any such additional Interest acquired by Laverton and/or Nickel Mines shall rank pari passu with the respective Interests of Newmont, ICI and HCS.

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6.1.5 In the event that Laverton and/or Nickel Mines issues a notice pursuant to Clause 6.1.2 hereof and does not issue a further notice pursuant to Clause 6.1.3 hereof,

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Laverton or Nickel Mines as the case may be shall, no later than ninety (90) days after the issue of a notice by the Manager pursuant to Clause 7.2.1 hereof:-

6.1.5.1 make a cash payment to Newmont, ICI and HCS of an amount computed in accordance with the following formula:-

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$$X = \sum_{A=1}^D 0.20C_A(1.0355)^{D-A+1}$$

where:-

X is the amount of the cash payment to be paid by Laverton and/or Nickel Mines to Newmont, ICI and HCS;

$\sum_{A=1}^D$ signifies the summing of computations of $0.20C_A(1.0355)^{D-A+1}$ for each Quarter in the period between the Quarter A=1 and the Dth Quarter;

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A is an indicator which identifies each particular Quarter after the issue of a notice by the Manager pursuant to Clause 6.1.1 hereof; Quarter one is the first Quarter after the issue of such a notice; and Quarter A is the Ath Quarter after the issue of such a notice. If the issue of a notice by the Manager

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Exhibit "A" - Liantown
Joint Venture Agreement

pursuant to Clause 6.1.1 hereof
does not coincide with the end
of a Quarter, then the Manager's
Clause 6.1.1 notice shall be
deemed to have been given at
the end of the Quarter finishing
immediately prior to the Quarter
in which that notice was issued;

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D is the number of Quarters in
the period between the issue of
notices by the Manager pursuant
to Clauses 6.1.1 and 7.2.1
hereof. If the issue of a
notice by the Manager pursuant
to Clause 7.2.1 hereof does not
coincide with the end of a
Quarter, then the Manager's
Clause 7.2.1 notice shall be
deemed to have been given at
the end of the Quarter finishing
immediately prior to that in
which that notice was issued;

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C_A is the total amount of contri-
butions to Approved Programmes
by the Contributing Parties in
the Ath Quarter.

The amount (X) payable by Laverton
and/or Nickel Mines as the case may
be shall be shared between Newmont,
ICI and HCS in the proportions that

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from

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their respective Contributing Proportions to the Joint Venture at the date of such payment bear to one another.

6.1.5.2 provide to the Manager documentary evidence that Laverton and/or Nickel Mines as the case may be have secured adequate finance in a form satisfactory to the Manager, to meet their Contributing Proportions in the cost of the Development as estimated in the economic feasibility report prepared pursuant to Clause 7.1.5 hereof.

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6.1.6 The liabilities assumed by Newmont, ICI and HCS pursuant to elections by Laverton and/or Nickel Mines under Clauses 6.1.2 and/or 6.1.3 hereof shall be shared between those Parties in the proportions that their respective Contributing Proportions immediately prior to any such election bear to each other.

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7. DEVELOPMENT AND OPERATING PHASE

7.1 Feasibility Studies and Financing Arrangements

7.1.1 If at any time any Contributing Party considers a mineral occurrence in the Designated Area to warrant an economic feasibility study, that Party may prepare and submit to the other Parties a preliminary economic feasibility study in relation to such mineral occurrence.

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Within thirty (30) days after submission of such preliminary economic feasibility study, each of the Contributing Parties shall advise the Manager in writing whether it elects to proceed with a detailed economic feasibility study of such mineral occurrence.

7.1.2 If the Parties holding between them a majority of the Contributing Proportions hereunder decide, pursuant to Clause 7.1.1, to proceed with a detailed economic feasibility study, the Parties with a Contributing Proportion in the Joint Venture which elect to proceed shall advise all other Parties by notice in writing of their election.

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7.1.3 A Contributing Party which does not elect to proceed with a detailed economic feasibility study pursuant to Clause 7.1.1 hereof will be deemed to have issued a notice of withdrawal pursuant to Clause 9.1 hereof. Any notice deemed to be given pursuant to this Clause shall be irrevocable.

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7.1.4 The Manager shall as expeditiously as practicable prepare and submit to the Parties an economic feasibility study in such detail and within such margins of accuracy as will allow each Party to decide whether, subject to finance, it wishes to proceed to development. Each Party will notify the Manager within forty-five (45) days of receipt of the afore-said study whether it wishes to participate

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in a study into the structure and financing of development and commercial exploitation of the Designated Area.

7.1.5 The Manager will forthwith notify each Party in writing of the intentions of each of the other Parties as referred to in Clause 7.1.4, and subject to one (1) Contributing Party wishing to proceed will call a meeting of Representatives within fourteen (14) days thereafter to consider the form or structure of the enterprise, any necessary financing arrangements for the proposed development and commercial exploitation of the relevant mineral occurrence.

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7.2 Participation in Development

7.2.1 Within ninety (90) days after the completion of the meeting of Representatives referred to in Clause 7.1.5, each Contributing Party will notify the Manager in writing whether it wishes to proceed with the Development. On the expiration of the aforesaid ninety (90) days if any one (1) of the Contributing Parties decide to proceed, the Manager shall by notice in writing advise all Parties of any decision to proceed and those Contributing Parties who have not elected to proceed will be deemed to have issued a notice of withdrawal pursuant to Clause 9.1 hereof.

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7.2.2 As soon as practicable all Parties will meet to determine any further matters in relation

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to the Development. Any decisions made or additional or supplemental agreements entered into in relation to the Development shall be subject to and read in conjunction with the terms of this Agreement unless unanimously decided otherwise by the Parties in the Development.

- 7.2.3 Notwithstanding any decision made or agreement entered into by the Parties, if the Date of Commencement of Commercial Scale Mining Operations is later than four (4) years after the end of the ninety (90) day period referred to in Clause 7.2.1 hereof, then the Parties shall offer to re-transfer to any former Parties the Interest in the Joint Venture which such former Party had forfeited pursuant to a deemed election of withdrawal under Clause 7.2.1 hereof. If such offer is accepted within ninety (90) days then as between themselves the Parties shall be obliged to re-transfer to any former Parties that part of their respective then Interests in the Joint Venture acquired as a result of the aforesaid forfeiture by the said former Parties. Such re-transfer shall be subject to any former Parties paying by way of reimbursement to the then Parties such sum as bears the same proportion to the total sum expended on the Development since its commencement as the Interest being transferred bears

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to the total Interests of all Parties before the commencement of the Development. The sum so paid by any former Parties shall be divided between the then Parties in proportion to the Interest they acquired from the incoming Party on the declaration of commencement of the Development.

7.3 Contingent Liability After Mine Commencement

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7.3.1 In the event that Laverton and/or Nickel Mines make elections pursuant to Clause 6.1.2 and/or 6.1.3, Laverton or Nickel Mines as the case may be shall be liable to pay to Newmont, ICI and HCS in the proportions that those Parties' respective Contributing Proportions at the time bear to each other, eighty percent (80%) of Laverton or Nickel Mines' Net Cash Flow as hereinafter defined in each Quarter in the period between the Date of Commencement of Commercial Scale Mining Operations and the Equalisation Date.

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7.3.2 Net Cash Flow shall be computed in each Quarter in accordance with the following formula:-

$$F_K = R - (O + T)$$

where:-

F_K is the Net Cash Flow of Laverton or Nickel Mines in the Kth Quarter;

R is the revenue actually received by Laverton or Nickel Mines as the case

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John *KL*

may be in each Quarter commencing in
the first Quarter after the Date of
Commencement of Commercial Scale Mining
Operations from the sale of Processed
Product after deduction of all ex-mine
expenses, losses and outgoings incurred
by Laverton or Nickel Mines as the case
may be including, but not limited to,
refining, smelting, freight, reasonable
selling expenses, commissions, metal
deductions and transit losses, provided
always if any sales of Processed Product
or if any ex-mine expenses, losses and
outgoings are made or incurred by Laver-
ton and/or Nickel Mines to third parties
which are not at arm's length from Laver-
ton and/or Nickel Mines, then for the
purposes of this calculation of "R",
the sales which were not at arm's length
will be deemed to have been made at the
prices prevailing on the London Metal
Exchange on the working day closest to
the date of the sale for the commodity
involved, and the quantum of ex-mine
expenses, losses and outgoings shall be
no greater, having regard to the relevant
volumes of those sales, than those
incurred by the Manager in the sale of
its share of Processed Product in the
same Quarter;

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O is the contribution pursuant to Clause 5.2.1 hereof, to Joint Venture expenditures by Laverton or Nickel Mines as the case may be in the relevant Quarter;

T is the amount of the corporate income tax liability of Laverton or Nickel Mines as the case may be in the relevant Quarter which is attributable solely to taxable income derived as a result of Joint Venture activities pursuant to this Agreement, such liability to be certified in each Quarter by an independent registered company auditor;

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K is an indicator which identifies each Quarter after the Date of Commencement of Commercial Scale Mining Operations; Quarter one is the first quarter after the Date of Commencement of Commercial Scale Mining Operations; any Quarter K is the Kth Quarter after such commencement.

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7.3.3 Equalisation Date is the date on which the symbol L in the following formula first equals zero:-

$$L = \sum_{X=1}^X 0.8F_K(1.0355)^{X-K+1} - \sum_{B=1}^Y 0.20C_B(1.0355)^{Y-B+1}$$

where:-

X is the number of quarters in the period between the Date of Commencement of Commercial Scale Mining Operations and

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John *Ad*

the Quarter in which the calculation of
L is being carried out;

$\sum_{K=1}^X$ signifies the summing of computations
of $0.8F_K(1.0355)^{X-K+1}$ for each Quarter
in the period between the Quarter K=1
and the Xth Quarter;

K is an indicator which identifies each
Quarter after the Date of Commencement
of Commercial Scale Mining Operations;
Quarter one is the first Quarter after
the Date of Commencement of Commercial
Scale Mining Operations; and Quarter
K is the Kth Quarter after such commence-
ment;

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F_K is Net Cash Flow of Laverton or Nickel
Mines as the case may be in the Kth
Quarter as calculated pursuant to Clause
7.3.2 hereof;

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Y is the number of Quarters in the period
between the issue of a notice (hereinafter
referred to as "the relevant notice") by
the Manager either pursuant to Clause
6.1.1 hereof in the event that elections
are made by Laverton and/or Nickel Mines
pursuant to Clauses 6.1.2 and 6.1.3 or
pursuant to Clause 7.2.1 in the event
that an election is made by Laverton
and/or Nickel Mines pursuant to Clause
6.1.3 only and the Quarter in which the

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calculation of L is being carried out.

If the issue of the relevant notice does not coincide with the end of a Quarter, then the relevant notice shall be deemed to have been given at the end of the Quarter finishing immediately prior to the Quarter in which that relevant notice was issued;

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$\sum_{B=1}^Y$ signifies the summing of computation of $0.20 C_B(1.0355)^{Y-B+1}$ for each Quarter in the period between the Quarter B=1 and the Yth Quarter;

B is an indicator which identifies each particular Quarter in the period between the issue of the relevant notice and either the Date of Commencement of Commercial Scale Mining Operations, or if any payment is made pursuant to Clause 7.5.3 hereof, the Quarter in which such payment was made. Quarter one is the first Quarter after the issue of such notice and Quarter B is the Bth Quarter after the issue of such relevant notice. If the issue of the relevant notice hereof does not coincide with the end of a Quarter, then the relevant notice shall be deemed to have been given at the end of a Quarter finishing immediately prior to the Quarter in which that relevant notice was issued;

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C_B is the total amount of contributions to Approved Programmes by the Contributing Parties in the Bth Quarter.

7.3.4 Notwithstanding anything herein contained, Laverton and/or Nickel Mines shall have the right in any Quarter to make a payment to Newmont, ICI and HCS which when added to the computation of L pursuant to Clause 7.3.3 hereof as at the last day of the preceding Quarter will cause L at the date of such payment to equal zero.

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7.4 Independent Disposal of Production

7.4.1 Each Party shall be entitled to and will take and shall have title to its own share in proportion to its Interest in the Joint Venture of any Processed Product and independently sell or dispose of or direct the sale or disposal of the same.

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7.4.2 The Manager shall, if requested by a Party or if any Party shall fail, after thirty (30) days notice from the Manager to make suitable arrangements to take its share of Processed Product, have the authority to store in a suitable location, the Processed Product owned by the other Party. All of the costs involved in arranging and effecting such storage shall be to the account of the Party owning the Processed Product. Once stored, the Manager shall have no further responsi-

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bility with respect to such Processed Product except to provide assistance in the shipment thereof from their place of storage when requested to do so by the Party owning the Processed Product. The Manager's charges for such assistance shall be to the account of the Party owning the Processed Product and the Manager shall have a lien upon the stored Processed Product to secure the payment of all storage and shipment costs.

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7.5 Start-up Deficiencies


7.5.1 In the event that Laverton and/or Nickel Mines issue notices pursuant to Clauses 6.1.2 and/or 6.1.3 hereof and the aggregate amount of their respective Net Cash Flows as computed in accordance with the formula provided in Clause 7.3.2 hereof for the first two Quarters after the Date of Commencement of Commercial Scale Mining Operations is a negative sum, then Laverton and/or Nickel Mines as the case may be shall advise Newmont, ICI and HCS in writing of the amount of that negative sum. Coincidental with Laverton and/or Nickel Mines' written advice hereunder they will provide Newmont, ICI and HCS with:-

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7.5.1.1 detailed particulars of the computation of Net Cash Flow for the two Quarters involved;

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7.5.1.2 copies of any relevant documents



relating to components thereof
sufficient to enable Newmont, ICI
and HCS to verify the amount of the
negative sum;

7.5.1.3 a certificate signed by an independent
registered company auditor attesting
to the correctness of the amount
specified in the notice issued pur-
suant to this Clause and to the
best of his information, knowledge
and belief the authenticity of all
accompanying documents.

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7.5.2 No later than thirty (30) days after the date
of any notice issued under Clause 7.5.1
hereof, Newmont, ICI and HCS shall, in the
proportions that their respective Interests
at the time bear to each other, pay to Laverton
or Nickel Mines as the case may be the amount
specified in the notice issued pursuant to
Clause 7.5.1 hereof.

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7.5.3 Any payment made by Newmont, ICI and HCS
pursuant to Clause 7.5.2 hereof shall, for
the purposes of the calculation of the Equal-
isation Date pursuant to Clause 7.3.3 hereof,
be deemed to be a contribution to the Joint
Venture made in the Quarter paid.

8. DESIGNATED AREA AND MINING TITLES, ETC.

8.1 Offer of a New Interest

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8.1.1 In the event that any Party proposes to take

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up or acquire or is offered any mineral tenements or any interest, direct or indirect, whether under any joint venture arrangements or otherwise howsoever, in any mineral tenements either wholly or in part within the Designated Area (hereinafter called the New Interest) such Party shall bring to the attention of and to offer in writing to the other Parties, subject to the required government consents, to join in the exploration, prospecting and development of such New Interest for the purposes of the Joint Venture. The Party making the offer shall use its best endeavours to obtain any necessary consents and the other Parties will within fourteen (14) days from the date of such written offer notify the offeror Party whether they wish to have such mineral tenements or interests and all related property and activities so offered included in the Joint Venture. In the event that all of such other Parties wish to have such New Interest included in the Joint Venture, the offeror Party shall take up or acquire the same on behalf of and for the benefit of itself and the Parties accepting the offer whereupon such New Interest shall thenceforth be deemed to be included in the Joint Venture.

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8.1.2 In the event that one or more Parties do not wish to have such New Interest included in




the Joint Venture, the offeror and the other Parties will take immediate steps to draw up an Agreement specifying the terms and conditions under which they will participate in the exploration evaluation and exploitation of the New Interest such terms and conditions unless otherwise unanimously agreed upon are to be in accordance with the relevant terms and conditions hereunder. The Interests of the Parties accepting the offer in the New Interest shall be in the proportions that the Parties respective Interests hereunder at the time of acceptance bear to each other.

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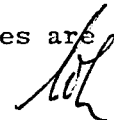
8.1.3 In the event that all other Parties do not wish to have such New Interest included in the Joint Venture then the offeror Party shall be free to proceed with the taking up or acquisition and the exploration and development and exploitation of the same independently of the Joint Venture.

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8.2 Preservation of Mining Titles

8.2.1 The Manager shall maintain the Mining Titles on behalf of the Parties and for such purpose the Manager on behalf of the Joint Venture shall be authorised and obliged to ensure that all rentals, rates, taxes, survey fees, royalties and dues associated with the Mining Titles are duly paid and that all work, labour, reporting and other conditions prescribed in relation to the Mining Titles are

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duly complied with and fulfilled.

8.2.2 For the purposes of 8.2.1 the Parties hereby irrevocably, jointly and severally appoint the Manager their attorney to act for them in their names as the Manager for the time being deems fit for the purposes of doing all such matters acts and things and to execute all such documents as may be necessary or desirable to be done or executed by the Parties for the purpose of maintaining the Mining Titles in good standing and without limitation to the generality of the foregoing powers to pay all rents on behalf of the Parties in whose name or names the Mining Titles are held and to lodge and administer all applications for exemptions from labour conditions.

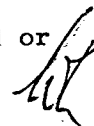
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8.2.3 The Manager shall use its best endeavours to ensure that the rights and benefits conferred by the Mining Titles in its name or under its control are maintained for the benefit of the Parties in accordance with their respective Interests and in particular shall use its best endeavours to ensure that such Mining Titles are renewed (or replaced by other rights issued in substitution therefor) on their expiration.

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8.2.4 No Party will do or omit to do any act or thing which might lead to any Mining Titles acquired or applied for being revoked or otherwise prejudiced.

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8.3 Dealings with Mining Titles

Each of the Parties will hold the Mining Titles upon trust for the Parties entitled at law and/or in equity thereto pursuant to this Agreement and will transfer or deal with the same in such manner as may be required or permitted pursuant to this Agreement and not otherwise.

8.4 Partition

Unless otherwise agreed unanimously by the Parties hereto, no Party shall seek partition of any property or other interest licence or tenement whatsoever in which such Party has an interest in common with any other Party under this Agreement.

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9. WITHDRAWAL AND DEFAULT

9.1 Withdrawal

9.1.1 Any Party whose Representative has not approved a programme and budget may at any time after the programme and budget has been submitted pursuant to Clause 5.1.2 hereof but not later than seven (7) days after the same has been approved by the Representatives pursuant to Clause 5.1.3 hereof by notice in writing to the others elect to make no further contributions to Joint Venture programmes and budgets. Any notice given pursuant to this Clause shall be irrevocable.

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9.1.2 In the event that Newmont, ICI or HCS gives a notice pursuant to Clause 9.1.1 hereof prior to the date on which aggregate contributions to the Joint Venture equal two million eight

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Jim *HL*

hundred thousand dollars (\$2,800,000):-

9.1.2.1 the Interest of the Party giving such notice shall be forfeit and that Party shall take immediate steps to transfer convey or assign any Interest then held in any of the Mining Titles and other property of the Joint Venture to the other of the aforesaid three Parties in the proportions that those Parties' Contributing Interests bear to each other at that time;

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9.1.2.2 save and except for the provisions of Clause 9.1.3 hereof all costs incurred pursuant to this Agreement shall thereafter as from the commencement of the programme and budget period first referred to in Clause 9.1.2 hereof be borne by the other Parties but the Party giving such notice shall remain liable for its proportion of the cost of any uncompleted Approved Programme in progress at the time of the giving of such notice.

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9.1.3 In the event that Newmont, ICI and HCS all withdraw from the Joint Venture prior to having contributed or fail by the due date specified in Clause 5.2.3.1 hereof to contribute two hundred and eighty thousand dollars

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Jorn *ll*

(\$280,000) to Approved Programmes, they will pay, no later than thirty (30) days after either the date of the notice of withdrawal of the last of the aforesaid three Parties, or the due date, whichever first occurs, an amount equal to half of the difference between two hundred and eighty thousand dollars (\$280,000) and the aggregate contributions to Approved Programmes of the Joint Venture to each of Laverton and Nickel Mines. Newmont, ICI and HCS severally and not jointly shall be liable for such payments only in the proportions that their respective Interests hereunder bear to each other.

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9.1.4

Where a Party has given a notice pursuant to Clause 9.1.1 hereof after the date on which aggregate contributions to the Joint Venture equal two million eight hundred thousand dollars (\$2,800,000):-

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9.1.4.1 the Interest of the Party giving such notice shall be forfeit and that Party shall take immediate steps to transfer convey or assign any Interest then held in any of the Mining Titles and other property of the Joint Venture to the other Contributing Parties in the proportions that such other Contributing Parties' Interests bear to each other at that time.

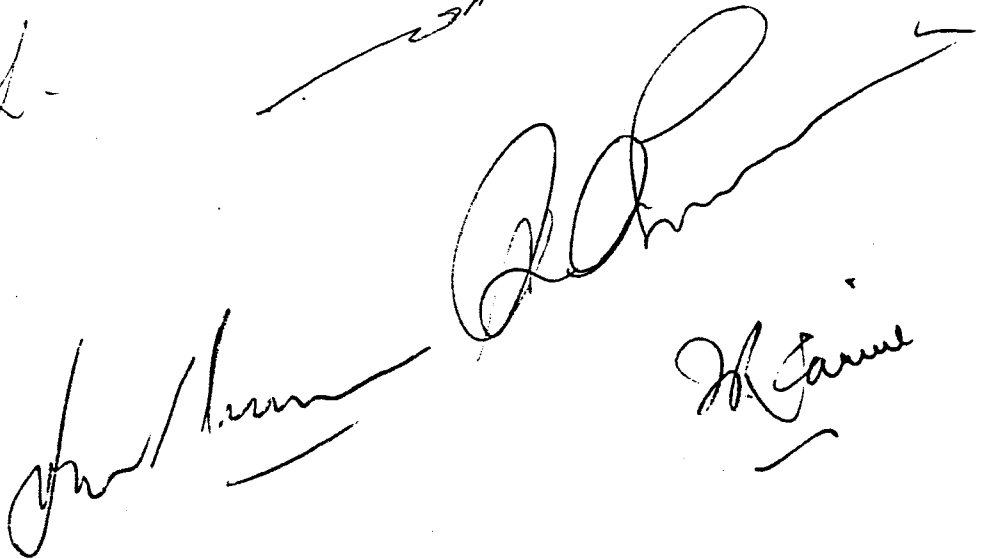
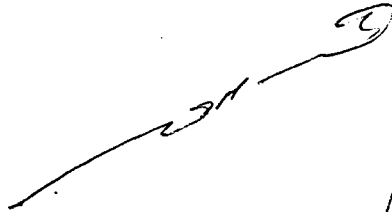
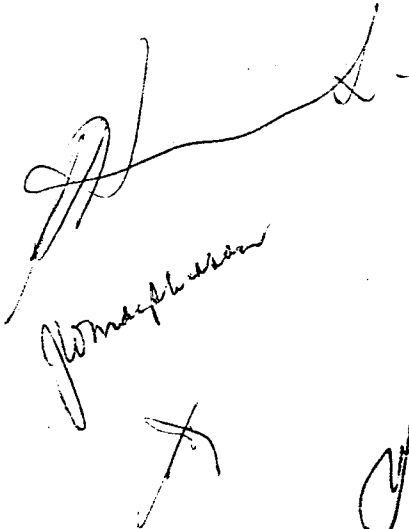
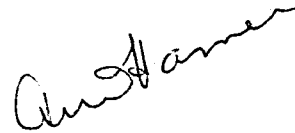
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John *ht*

ADDENDUM TO PAGE 47

9.1.5 In the event that Newmont ICI and HCS have all forfeited their interests whether pursuant to Clause 9.1 and/or 9.2 hereof then the interests so forfeited shall all be transferred as to one-half to Laverton and one-half to Nickel Mines. The last of Newmont, ICI and HCS so forfeiting shall take immediate steps to transfer convey or assign any interest then held in the mining titles to Laverton and Nickel Mines respectively as aforesaid.

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9.1.4.2 all costs incurred pursuant to this Agreement shall thereafter as from the commencement of the programme and budget period first referred to in Clause 9.1.1 hereof be borne by the other Contributing Parties but the Party giving such notice shall remain liable for its proportion of the cost of any uncompleted programme and budget in progress at the time of the giving of such notice.

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9.1.4.3 if Laverton and/or Nickel Mines have made elections pursuant to Clause 6.1.3 the electing party will be deemed not to be Contributing Parties for the purposes of Clause 9.1.4 until the Equalisation Date.

9.2 Default

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9.2.1 In the event of any Party (hereinafter called "the defaulting party") committing a breach of any of the provisions of Clauses 5.2.1, 7.3, 7.5, 8.1, 8.2, 8.3 and/or 10.1, and failing to remedy such breach or compensate for the loss thereby sustained. the other Parties within sixty (60) days after the Manager or the other Party shall have given to the defaulting party a written notice specifying such breach and requiring such remedy or payment, of such compensation, then provided that such breach shall not have been

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plm *hk*

or then be waived pursuant to the provisions of Clause 11.4, all of the rights and Interests of the defaulting party in the Joint Venture shall thereupon be forfeited and transferred to the other Parties in the proportions that their respective Contributing Proportions bear to each other at the date of forfeiture and the defaulting party shall cease to have any rights in relation to the Joint Venture. The defaulting party shall sign and execute all such deeds and documents and do such things as may be reasonably required by the other Parties hereto to give effect to this Clause, provided however that, the foregoing provisions of this Clause 9.2 shall be without prejudice to any then existing and outstanding rights and obligations of such defaulting party arising prior to such forfeiture and to any liabilities and obligations of the defaulting party in relation to any contribution due but unpaid at the date of forfeiture.

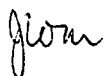
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9.2.2

In the event of Newmont, ICI or HCS (hereinafter called "the defaulting party") committing a breach of any of the provisions of Clauses 5.2.3 and/or 5.4, and failing to remedy such breach or pay adequate compensation therefor to Laverton and/or Nickel Mines no later than fourteen (14) days after Laverton and/or Nickel Mines shall have given to the defaulting party a written notice specifying such breach

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and requiring such remedy or payment, then provided that such breach shall not have been or then be waived pursuant to the provisions of Clause 11.4, all of the rights and Interests of the defaulting party in the Joint Venture shall thereupon be forfeited and transferred to Laverton and Nickel Mines in the proportions that their respective Interests bear to each other at the date of forfeiture and the defaulting party shall cease to have any rights in relation to the Joint Venture. The defaulting party shall sign and execute all such deeds and documents and do such things as may be reasonably required by Laverton and Nickel Mines to give effect to this Clause, provided however that, the foregoing provisions of this Clause 9.2 shall be without prejudice to any then existing and outstanding rights and obligations of such defaulting party arising prior to such forfeiture and to any liabilities and obligations of the defaulting party in relation to any contribution due but unpaid at the date of forfeiture.


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10. ASSIGNMENTS

10.1 Any Party (hereinafter called "the assignor") may assign the whole of its Interest under this Agreement (or with the unanimous consent of the Parties any part thereof) to any person firm or company (hereinafter called "the assignee"), provided that no such assignment shall be made or have any effect unless:-

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10.1.1 If it is an assignment by an assignor to a company which is a Related Company of the assignor, such Related Company shall first have covenanted with the other Parties (hereinafter referred to as "the remaining parties") that it will reassign such Interest to the original assignor upon its ceasing to be a Related Company thereof; or

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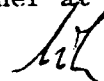
10.1.2.1 Full written details including copies of all proposed documentation and full identification of all third party assignees have been furnished to the remaining parties; and

10.1.2.2 The written consent of the remaining parties shall have been given; or

10.1.2.3 The consideration for the assignment is expressed in cash terms and the assignor shall first offer to assign such Interest to all the remaining parties upon the same terms and conditions as it proposed to assign the same to such other person, firm or company and such offer has not been accepted by the remaining parties within forty-five (45) days after the making of the offer provided that if more than one (1) of the remaining parties gives notice of acceptance hereunder such remaining parties as give notice of acceptance will be deemed to have become bound to such assignment in the proportions that their respective Interests bear to each other at

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that time unless such remaining parties otherwise agree for the consideration and upon the terms mutatis mutandis contained in the documentation accompanying the notice given by the remaining parties pursuant to Clause 10.1.2 hereof.

10.2 No assignment shall have any effect until any necessary Government approval thereto has been obtained.

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10.3 Where an assignment is made to a person, firm or company who or which is not a party to this Agreement, such assignment shall have no force or effect whatsoever until such time as the assignee has entered into a covenant with the remaining parties binding the assignee to all the terms and conditions hereof so far as the same are applicable and in such form and containing such terms and conditions as the remaining parties may reasonably require.

10.4 In the event of the assignment by any Party of the whole or any part of its Interest in the Joint Venture to any other person, firm or corporation, the assignor and the assignee shall forthwith advise the other Parties hereto in writing of the percentage Interest in the Joint Venture so assigned.

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10.5 Mortgaging of Interests

A Party shall not encumber or suffer any encumbrance to exist over its Interest in the Mining Titles and/or other Joint Venture property unless it shall first have obtained from the person in whose favour any encumbrance is proposed to be created a covenant in writing in

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favour of the other Parties that such person (in the event of his entering into possession or exercising a power of sale under the terms of the encumbrance) shall not exercise any power of sale or other right power or remedy over or in respect of any of the said Mining Titles or other assets other than in accordance with the terms of this Agreement. Floating charges entered into pursuant to normal banking arrangements or pursuant to normal company borrowings entered into in the established course of business shall be excluded from the operation of this Clause.

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11. MISCELLANEOUS

11.1 Caveats

If and whenever requested by any of the Parties so to do at any time or times and from time to time, the other Parties will consent to the registration of any caveats in favour of such Party or all of the Parties on or over the Mining Titles as may be reasonably required to protect the rights and Interests of such Party or all of the Parties under this Agreement.

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11.2 Relationship of Parties

11.2.1 The relationship between the Parties shall be limited to the performance of the objects provided for in this Agreement. This Agreement shall be construed as and shall constitute a joint venture only for carrying out such objects and nothing contained in this Agreement shall be treated as creating a new entity or as constituting any Party a general

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agent or representative of the other Parties.

No Party shall have the right to pledge the credit of the other Parties. The rights and obligations of the Parties pursuant to this Agreement shall be several and neither joint nor joint and several.

11.2.2 Each Party shall be responsible only for its own obligations and shall be liable only for its own proportionate share of any expenditure. It is not the intention of the Parties to create any partnership, and this Agreement shall not be construed so as to render the Parties or any of them liable as partners or as a partnership.

10

11.2.3 Newmont elects to have the operations of the Joint Venture excluded from the application of sub-chapter K of chapter 1 of sub-title A of the United States Internal Revenue Code of 1954 and the corresponding provisions of any subsequent Internal Revenue laws of the United States of America and such portion or portions thereof as may be permitted or authorized by the Secretary of the Treasury of the United States of America or his delegate insofar as the said sub-chapter K or any portion or portions thereof may be applicable to the operations of the Joint Venture and hereby binds itself to do any and all things as may be reasonably required of it from time to time by Newmont and as may be reasonably

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within its power to do and as may be necessary or proper from time to time in order to effectuate such election under authority of Section 761 (a) of the said United States Internal Revenue Code of 1954 and the corresponding provisions of any subsequent Internal Revenue laws of the United States of America. Each of the Parties hereby also makes a comparable election and binds itself (in the same manner as aforesaid) to do any and all things necessary to effectuate such election under any applicable taxing statute of any State of the United States of America.

10

11.3 Confidentiality and Release of Information

It is the intention of the Parties that public announcements and statements relating to the Joint Venture shall be made jointly wherever possible or otherwise only with the approval of the Representatives, which approval shall not be unreasonably withheld. Any Party required to make or desirous of making any such public announcement or statement shall confer with the Representatives as to the form and content of the proposed announcement or statement. Unless otherwise agreed by the Parties, all information obtained in relation to the Joint Venture shall be kept confidential and shall not be disclosed by any of the Parties otherwise than to each other, except:-

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11.3.1 as may be required by law;

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11.3.2 as may be required to enable any Party to

[Handwritten signature] *[Handwritten signature]*

issue a prospectus;

11.3.3 in order to comply with the requirements of
any stock exchange on which the shares of any
of the Parties or any related corporations of
any of the Parties may be listed; or

11.3.4 to any permitted assignee or any bona fide
proposed assignee.

No such information shall be disclosed unless the Party
proposing to disclose the same shall first have consulted
the other Parties as to the form and contents of any
such disclosure and received their approval which shall
not be unreasonably withheld or delayed. The foregoing
obligations shall survive a Party ceasing to be party
to this Agreement.

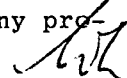
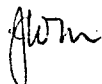
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11.4 Waiver of Breaches

In the event that any of the Parties shall be in breach
of any provision contained in this Agreement, the other
Parties may, if requested and/or in their own discretion,
waive such breach, either subject to any terms and
conditions or without imposing any terms and conditions,
such waiver and such terms and conditions, if any, to
be effected by notice in writing from such other Parties
to the Party in default, and in such event, subject to
compliance with the relevant terms and conditions, if
any, the Party in default will thereupon be relieved of
all liabilities and sanctions otherwise arising from
such breach, but without prejudice however to the
rights of the other Parties to take action at any time
in respect of any further or other breach of any pro-

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vision contained in this Agreement which is not so
waived.

11.5 Force Majeure

11.5.1 If any Party is for the time being rendered
unable wholly or in part by force majeure to
carry out its obligations under this Agreement,
that Party shall give to the other Parties
prompt written notice of the Force Majeure
with reasonably full particulars concerning
it whereupon this Agreement shall nevertheless
continue and remain in full force and effect
but the obligations of the Party giving the
notice, so far as they are affected by the
Force Majeure, shall be suspended provided
that the Party giving such notice shall use
all possible diligence to remove the Force
Majeure as quickly as possible.

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11.5.2 The requirement that any Force Majeure shall
be removed with all possible diligence shall
not require the settlement of strikes, lockouts
or other labour difficulties by the Party
involved on terms contrary to its wishes, and
the manner in which all such strikes, lockouts
or other labour difficulties shall be handled
shall be entirely within the bona fide discre-
tion of the Party concerned.

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11.6 Currency

All references to currency in this Agreement shall be
read as references to Australian currency.

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11.7 Notices, and Other Documents

Any notice, request, report, statement, budget, programme or other document required to be given or furnished under this Agreement shall be in writing and shall be delivered personally or sent prepaid mail from within Australia to the Party to which it is addressed at the address of that Party mentioned in this Agreement or at such other address as such Party may previously have notified to all the other Parties, and if sent by prepaid mail, which shall be by airmail wherever applicable, shall be deemed to have been received at the expiration of seven (7) days calculated from the day of posting. Any notice period shall be deemed to expire at midnight on the relevant day of expiration unless otherwise specifically provided.

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11.8 Duration of Agreement and Joint Venture

Unless sooner terminated by mutual agreement between the Parties or pursuant to any specific provisions contained in this Agreement, this Agreement and the Joint Venture shall continue until the expiry of the last of the Mining Titles.

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

11.9 Prior Agreements

This Agreement supersedes and replaces all agreements of any kind, written or oral, between the Parties with respect to the Designated Area.

11.10 Enabling Provision

The Parties hereto mutually agree that on request by any Party, the other Parties shall execute and provide to the requesting Party any notice, contract deed or

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other instrument relating to this Agreement as the requesting Party deems necessary to preserve or protect its Interest hereunder or to effectuate the provisions hereof.

11.11 Warranties and Covenants by Laverton and Nickel Mines

11.11.1 Laverton and Nickel Mines hereby warrant that at the date hereof:-

11.11.1.1 they are the registered holders and/or beneficial owners of the Mining Titles specified on the Second Schedule hereto;

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11.11.1.2 except for Mining Lease Nos. 603 - 607, the Mining Titles are to the best of their knowledge in good standing and that there are no facts of circumstances which would render the Mining Titles liable for forfeiture;

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11.11.1.3 the Mining Titles are free from all encumbrances, loans and charges of any description.

11.11.2 Laverton and/or Nickel Mines as the case may be hereby covenant with the other Parties hereto that no later than fifteen (15) days from the date on which the last of the consents referred to in Clause 3.1.2 hereof are obtained, they will deliver to the Manager executed documents of transfer in relation to each of the Mining Titles in such form as will,

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gwm *lit*

Exhibit "A" - Liontown
Joint Venture Agreement

subject to the approval of the Hon. Minister
for Mines and Energy in the State of Queens-
land, if required, effect a transfer of
interest in each of the Mining Titles to the
other Parties in proportion to the Parties'
respective Interests pursuant to Clause 3.3.1
hereof.

IN WITNESS whereof the parties hereto have executed this Agreement
the day and year first hereinbefore mentioned.

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THE CORPORATE SEAL of NEWMONT)
PROPRIETARY LIMITED)
was hereunto affixed by)
authority of the Board of)
Directors given on January)
24, 1967.)

[Handwritten signature]
.....

THE COMMON SEAL of ICI)
AUSTRALIA LIMITED)
was hereunto affixed by the)
authority of the Director)
whose signature appears)
hereunder.)

[Handwritten signature]
.....
Director

[Handwritten signature]
.....
Assistant Secretary

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[Handwritten initials]

[Handwritten initials]

THE COMMON SEAL of H.C. SLEIGH
RESOURCES LIMITED

was hereunto affixed by
Authority of the Directors
in the presence of:



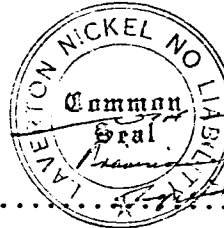
[Handwritten signature]
.....
Secretary

[Handwritten signature]
.....
Director

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.....
Director

THE COMMON SEAL of LAVERTON
NICKEL N.L. (Provisional
Liquidator Appointed)

was hereunto affixed by
the Provisional Liquidator
in the presence of:

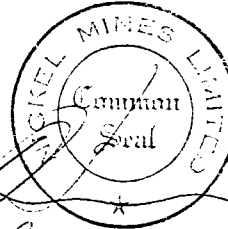


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THE COMMON SEAL of NICKEL
MINES LIMITED (Provisional
Liquidator Appointed)

was hereunto affixed by
the Provisional Liquidator
in the presence of:



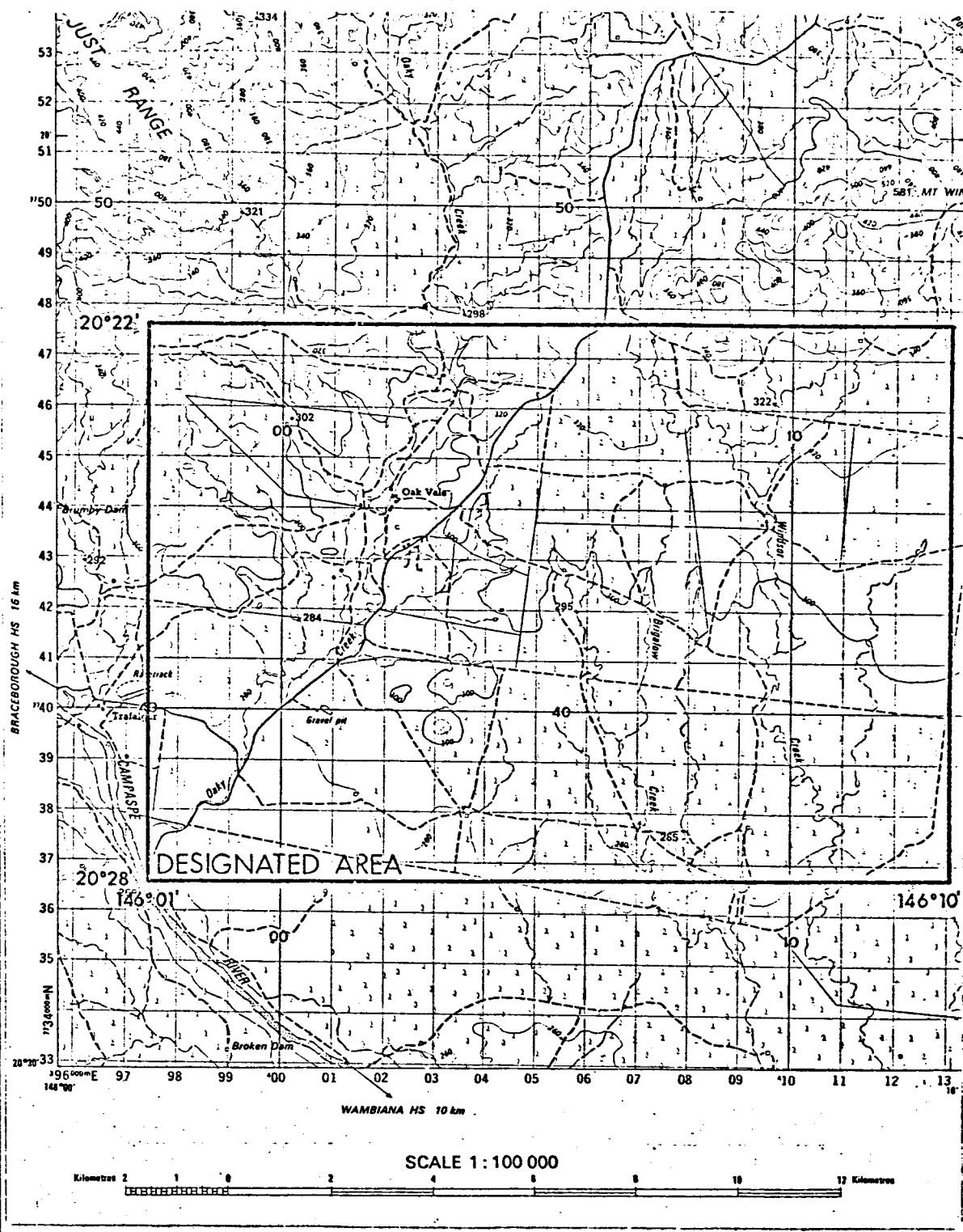
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.....
Provisional Liquidator

[Handwritten signature]

First Schedule



	NEWFRONT PROPRIETARY LIMITED	
	COMPILED J Quin	SCALE 1:100 000
	DRAWN D Brome	DRAWING No.
	DATE October 1978	FIGURE No

LIONTOWN JOINT VENTURE
DESIGNATED AREA *AL*

SECOND SCHEDULE

LIONTOWN JOINT VENTURE

MINING TITLES

CHARTERS TOWERS MINING DISTRICT, QUEENSLAND

MINING LEASE NOS.	233	
	317	
	320 - 345 inc.	
	402	10
	602 - 607 inc.	
HOMESTEAD LEASE NO.	11436	

John

284.

THIRD SCHEDULE

THIS AGREEMENT is made the _____ day of _____ one thousand nine hundred and seventy-eight BETWEEN WILLIAM JAMES HAMILTON, of 1 York Street, Sydney (hereinafter called "Hamilton") of the first part, NEWMONT PROPRIETARY LIMITED of 535 Bourke Street, Melbourne (hereinafter called "Newmont") of the second part, ICI AUSTRALIA LIMITED of 1 Nicholson Street, Melbourne (hereinafter called "ICI") of the third part and H.C. SLEIGH RESOURCES LIMITED of 160 Queen Street, Melbourne (hereinafter called "HCS") of the fourth part.

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WHEREAS:-

- A. The Party of the first part has been appointed Provisional Liquidator of Laverton Nickel N.L. (hereinafter called "Laverton") pursuant to a petition for the winding up of Laverton.
- B. The Parties of the second, third and fourth part have entered into an Agreement (hereinafter referred to as "the Joint Venture Agreement") dated the _____ day of _____ 1978 with Laverton and Nickel Mines Limited (hereinafter called "Nickel Mines") under the terms of which the Parties of the second, third and fourth part acquire an interest in and make certain undertakings in relation to certain assets of Laverton and Nickel Mines.
- C. The aforesaid Joint Venture Agreement is conditional upon the Agreement of the Party of the first part to the terms herein contained.

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NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

Hamilton hereby covenants that in the event that he exercises or proposes to exercise the right of sale if any of the shareholding of James Joseph Lynch in Nickel Mines pursuant to the terms of the Deed dated the Twentieth day of September 1978 between Hamilton, Nickel Mines and James Joseph Lynch that any such sale shall be for a cash consideration only and, save and except with respect to a sale of the aforesaid shareholding to Laverton, Hamilton undertakes to provide Newmont, ICI and HCS with full written details and copies of all proposed documentation and full identification of all third party purchasers of the aforesaid shareholding and shall offer the shareholding to Newmont, ICI and HCS upon the same terms and conditions as he proposed to sell the same to such third party purchaser. Such offer shall remain open for forty-five (45) days and if accepted by one or more of Newmont, ICI and HCS, Hamilton shall sell the aforesaid shareholding to the Parties accepting the offer in the proportions that their respective interests under the Joint Venture Agreement bear to each other at the time upon the terms mutatis mutandis contained in the documentation provided by Hamilton pursuant to this Clause.

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IN WITNESS whereof the Parties hereto have hereunto affixed their hands and seals on the day and year first hereinbefore written.

SIGNED SEALED AND DELIVERED)
 by the said WILLIAM JAMES)
HAMILTON in the presence of:)

flm

..... *[Signature]*

Exhibit "A" - Liantown
Joint Venture Agreement

THE CORPORATE SEAL of NEWMONT)
PROPRIETARY LIMITED)
was hereunto affixed by)
authority of the Board of)
Directors given on January)
24, 1967.)

.....

THE COMMON SEAL of ICI)
AUSTRALIA LIMITED)
was hereunto affixed by the)
authority of the Director)
whose signature appears)
hereunder.)

10

.....
Director

.....
Assistant Secretary

THE COMMON SEAL of H.C. SLEIGH)
RESOURCES LIMITED)
was hereunto affixed by)
Authority of the Directors)
in the presence of:)

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.....
Director

.....
Secretary

.....
Director

Peru

lit

Exhibit "A" - Liantown
Joint Venture Agreement

FOURTH SCHEDULE

EXPENDITURES

1. Salaries, wages and all other benefits paid to or for the benefit of employees of the Manager employed in the Joint Venture programme (hereinafter called "the Work") plus all taxes, superannuation and insurance contributions relating to the employment of such employees (hereinafter called "on costs"). Where an employee's work time is not wholly related to the Work, salary, wages and on costs will be allocated each month in proportion to the time engaged on the Work. 10
2. The cost of food, messing and accommodation for field and camp operations including camp establishment, additions and improvements, required for or in connection with the Work.
3. The costs including sums paid to contractors of:-
 - (i) Trenching;
 - (ii) Field surveying;
 - (iii) Geophysics;
 - (iv) Aerial mapping and photography; 20
 - (v) Chartered aircraft;
 - (vi) Drilling - diamond, percussion and auger;
 - (vii) Laboratory assaying (core);
 - (viii) Laboratory geochemical (samples);
 - (ix) Metallurgical testing;
 - (x) Field mapping and investigations;
 - (xi) Engineering and design;
 - (xii) Construction of mine, mill and associated facilities;and any other like operations carried out in the course of or in connection with the Work or material removed from the Designated Area. 30

John

[Signature]

4. The costs of payments made to contractors for or in connection with mining work undertaken as part of an evaluation programme to determine the extent and characteristics of one or more ore bodies.
5. The net cost of establishing and maintaining temporary field offices and an on-site office as may be required for the Work including office supplies, telephone and telegraph charges and other office operating costs, and construction, maintenance and operation of store houses, machine shops and other temporary facilities. 10
6. The cost of all expendable materials and stores, light, power, water, tools and the like.
7. The cost of all equipment, supplies, plant and machinery hired, leased or procured for the Work.
8. Freight paid for in connection with the Work.
9. Travelling expenses of employees and contract personnel when travelling necessarily in connection with the Work. When travelling expenses also relate to other activities carried out, such expenses will with respect to journeys necessary in connection with or common to both the Work and other activities be apportioned in proportion to the time spent on the Work and the other activities and otherwise shall be attributed to the Work or the other activities as the case may be. 20
10. The cost of transportation of personnel and effects to and from points of residence and the site including expenses en route and all operating expenditure incurred on hired vehicles.
11. Handling charges of equipment including loading and unloading costs. 30
12. All assaying and metallurgical costs incurred with the Work.

John

AL

13. Excise, customs, other taxes duties and agency fees payable on goods purchased for the Work.
14. First aid and safety expenses incurred in connection with the Work.
15. Subject to insurance policy of the Manager, the cost of all premiums paid for all necessary insurance coverage in relation to the Work.
16. Legal, audit and consulting fees expended solely and exclusively in connection with the Work. 10
17. Depreciation and rates subject to the normal accounting practice of the Manager on:-
 - (i) Buildings;
 - (ii) Vehicles;
 - (iii) Camp accommodation and equipment;
 - (iv) Furniture and fittings;
 - (v) Drilling equipment;
 - (vi) Geophysical equipment;
 - (vii) Laboratory equipment; 20
 - (viii) Sundry equipment;
 - (ix) Other chattels used in connection with the Work.
18. A reasonable figure to cover administrative overheads incurred, which figures shall be apportioned from the total administrative overheads incurred by the Manager in running its Head Office in Australia taking into account the number and size of projects currently being supervised by such Head Office and is restricted to a recovery on direct labour costs of staff employed and used by the Manager on a permanent basis. At the date hereof, charges for the above purpose shall be one hundred and fifteen percent (115%) on base salaries of professional staff and 30




Exhibit "A" - Liantown
Joint Venture Agreement

fifty-five percent (55%) on wages of other staff. No additional wage overheads or other arbitrary lump sum charge will be made without the prior consent of the Representatives.

let.

for.

k B /



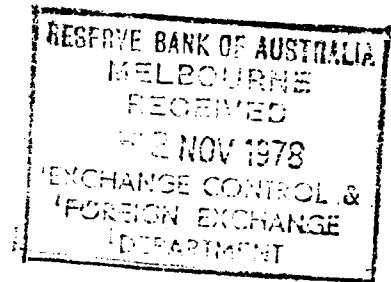
NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

November 1, 1978.

The Manager,
Reserve Bank of Australia,
60 Collins Street,
Melbourne, Vic. 3000

Attention: Mr. K. Broughton

Dear Sir,



Re: Liantown Joint Venture

Newmont Proprietary Limited, ICI Australia Limited and H.C. Sleight Resources Limited have reached agreement in principle with the Provisional Liquidators of Laverton Nickel N.L. and Nickel Mines Limited to associate in a Joint Venture for the further exploration for and if warranted development and exploitation of mineral occurrences within 35 mining leases owned by Laverton and Nickel Mines situated approximately 30 kilometres south of Charters Towers Queensland.

10

The area concerned is prospective for base metals and gold. The interests of the parties will be

Laverton	15%
Nickel Mines	15%
Newmont	40%
ICI	20%
H.C. Sleight Resources	10%

20

Allowing for the Australian shareholdings in ICI and H.C. Sleight, the beneficial Australian ownership in this venture will be 45.2%

Newmont expects to finance its initial contributions to this Joint Venture from Australian source income, however, later contributions may be financed by funds from the company's head office in the United States of America if local source income is not adequate. Inflow of such offshore funds would be the subject of separate requests for approval from the Reserve Bank.

30

.../2

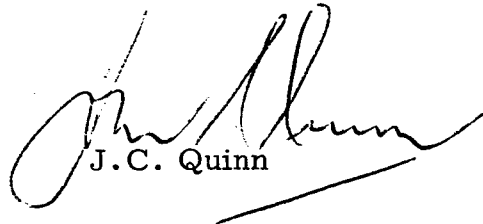
page 2.

We enclose herewith the final draft of the formal Joint Agreement which the aforesaid parties intend to execute. We hereby request the Bank's consideration and approval of this Agreement in accordance with the provisions of the Banking (Foreign Exchange) Regulations Act. We will write under separate cover to the Foreign Investment Review Board with regard to the Foreign Takeovers Act 1975 implications of this Agreement.

10

We look forward to your assistance and early advice.

Sincerely,


J.C. Quinn

JCQ/dy
Encl.

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000



November 3, 1978

The Manager,
Reserve Bank of Australia,
60 Collins Street,
MELBOURNE. 3000.

Attention: Mr. K. Broughton

Dear Sir,

Re: Liantown Joint Venture

Further to my letter dated November 1, 1978,
certain changes have now been agreed between the Parties
to the Joint Venture, subject of my previous letter.

10

The effect of these changes is to increase the
equity levels of the Australian participants to increase
certain payments to them and to increase the exploration
commitments of Newmont, ICI and H.C. Sleigh Resources.

I am enclosing copies of the amended pages to
the document now in your possession and request that you
consider the Agreement on the basis of this up-dated
information.

Sincerely,

20

J. Patrick

JCQ:JP
Enc.

for J.C. Quinn.



RESERVE BANK OF AUSTRALIA

60 COLLINS STREET

BOX 1631M GPO MELBOURNE 3001

TELEPHONE 63 0101

IN REPLY PLEASE QUOTE

EC.MC

9 November 1978

The Secretary
Newmont Proprietary Limited
AMP Tower
535 Bourke Street
MELBOURNE, VIC. 3000

Dear Sir,

EXCHANGE CONTROL
LIONTOWN JOINT VENTURE

JP.
Je.
R.L. Abbott, ICI
P.H. MacSporran, H.C. Sleigh.
W.S. Hamilton, Laverton Nickel N.L.

	BRS
	BTR
	ACH
	JCQ
	JP
	RED
	AS
	DH
	TH
	PH
	DATE

We refer to your letters of 1 November 1978 (JCQ/dy) and 3 November 1978 (JCQ:JP) and enclosures.

There is no objection under the Banking (Foreign Exchange) Regulations to your company entering into the joint venture agreement as submitted with ICI Australia Limited, H.C. Sleigh Resources Limited and the Provisional Liquidators of Laverton Nickel N.L. and Nickel Mines Limited covering 35 mining leases in the Charters Towers, Queensland area.

It is a condition of this Exchange Control authority that before being implemented, any necessary clearance is obtained under the Government's foreign investment policy.

Please note that any proposal to finance further payments under the agreement from your company's head office should be submitted for our prior consideration and will be considered in the light of policy applying at the time of application.

Yours faithfully,

K.J. Broughton
Assistant Manager
Exchange Control and
Foreign Exchange Department
Exhibit "F" - Letter to First
Plaintiff, 9 November, 1978

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20

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December, 21, 1978

	RIS
	RTR
	AAGM
	JEQ
	PAJ
	PCD
	AS
	DJB
	FIT
	KJR

Mr. R.H. Dean,
Executive Manager,
Foreign Investment Review Board,
The Treasury,
Parkes Place,
PARKES. A.C.T. 2600.

Dear Sir,

Re: Liontown Joint Venture

2.61
FIVE

We hereby give notice pursuant to the provisions of the Foreign Takeovers Act 1975 that Newmont has entered into a Joint Venture with respect to certain areas, the subject of Mining Leases in Queensland. Details of the arrangement are as follows:-

10

Participants

(i) Newmont Proprietary Limited

A company incorporated in the State of Delaware, U.S.A. being a wholly owned subsidiary of Newmont Mining Corporation of New York. Details of this company and its activities have been provided to the Board on several occasions in the past.

20

(ii) ICI Australia Limited

A Victorian corporation with approximately 39% beneficial Australian ownership.

(iii) H.C. Sleigh Resources Limited

A company incorporated in the State of Tasmania being a wholly owned subsidiary of H.C. Sleigh Limited, a company which we understand to be substantially Australian owned.

(iv) Laverton Nickel N.L. (Provisional Liquidator Appointed)

A New South Wales corporation currently in provisional liquidation pursuant to a petition lodged in the Equity Division of the Supreme Court by the Commissioner of Corporate Affairs in New South Wales. We believe this company to be wholly Australian owned.

30

-2-

(v) Nickel Mines Limited (Provisional Liquidator Appointed)

A New South Wales corporation currently in provisional liquidation pursuant to a petition lodged in the Equity Division of the Supreme Court of New South Wales by the Provisional Liquidator of Laverton Nickel N.L. We understand this company to be wholly Australian owned.

10

Assets Involved

The assets involved in this transaction are the Mining Leases and Homestead Lease specified in the Second Schedule of the Liontown Joint Venture Agreement, a copy of which is annexed hereto. The Leases are situated approximately 40 kilometres southwest of Charters Towers in Central Queensland, and cover an area in which Laverton and Nickel Mines have conducted a considerable amount of exploration in the period prior to 1973. This exploration has indicated the presence of base and precious metal sulphides at relatively shallow depths.

20

It is the opinion of Newmont, ICI and H.C. Sleigh that the mineralisation discovered to date does not constitute sufficient reserves at the grades indicated to justify commercial development, hence the captioned Joint Venture has been established with a view to further explore the area to add to the existing ore reserves and, if warranted, to develop a mining operation and exploit expanded reserves.

The attached copy letter dated July 11, 1978 from Newmont to the Provisional Liquidator of Laverton Nickel N.L., indicates Newmont's current assessment of the grade and tonnage of mineralisation demonstrated to date. Very little constructive exploration has, to the best of our knowledge, been conducted at Liontown since 1973.

30

The Mining Leases, which are the subject of this Joint Venture, are a title granted by the Queensland Government and carry with them the exclusive right to explore for, develop and mine any minerals within the boundaries of title areas.

Background to the Joint Venture

Newmont first became interested in the Liontown property in 1972. In the period between 1972 and 1977, it conducted a variety of evaluations and studies of the technical data on the property and provided the management of Laverton and Nickel Mines with the results of these studies, together with suggestions as to how the property might be further explored. At the same time, joint venture approaches were made by Newmont to the management of Laverton and Nickel Mines without success.

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-3-

In April/May 1978, both Laverton and Nickel Mines were placed in provisional liquidation and at that time, the Provisional Liquidators circularised most, if not all, Australian and foreign based minerals and energy companies to determine what arrangement they could make to facilitate the ongoing evaluation and possible exploitation of the Liantown area to the greatest advantage of the stockholders of both Laverton and Nickel Mines. 10

As a result of the Provisional Liquidators' evaluation of the various offers made, the parties entered into the Joint Venture Agreement annexed hereto on November 3, 1978.

Contractual Arrangement between the Parties

The contractual arrangement between the parties is detailed in the annexed copy of the Agreement dated the 3rd day of November 1978.

In summary, Newmont, ICI and H.C. Sleight are required to expend \$2.8 million over a maximum five year period in which to earn an aggregate 60% interest in the property. That interest will be earned 36% to Newmont, 18% to ICI and 6% to H.C. Sleight. Each of Laverton and Nickel Mines will retain a 20% interest in the property. 20

After expenditure of \$2.8 million, Laverton and Nickel Mines may elect to either contribute to ongoing expenditures, or avail themselves of an arrangement whereby Newmont, ICI and H.C. Sleight will provide funds on behalf of Laverton and/or Nickel Mines under an agreed formula. 30

In addition to expenditures in exploration, Newmont, ICI and H.C. Sleight are required to pay \$37,500 to each of Laverton and Nickel Mines upon approval of the Agreement by the Equity Division of the New South Wales Supreme Court, and upon the first anniversary date of the first payment, and thereafter, \$50,000 per annum until the commencement of mining operations. Subject to there being no withdrawals or forfeiture of interest under the Joint Venture should a mining operation result from the further exploration at Liantown, the beneficial Australian ownership will be 54%. 40

Would you kindly review the arrangement reached between the Parties and advise whether such arrangements are in

Exhibit "G" - Letter to
Foreign Investment Review
Board, 21 December, 1978

accordance with the Government policies for foreign investment
in mining in Australia.

Sincerely,

JQ

J.C. Quinn.

JCQ:JP

Enc.

10

cc. G.J. Reaney, H.C. Sleigh
R.L. Abbott, ICI
W.J. Hamilton

299. Exhibit "G" - Letter to
Foreign Investment Review
Board, 21 December, 1978



The Treasury
Canberra ACT 2600

TELEPHONE 63 9111

REFERENCE NO.
78/FOID 2212

17 JAN 1979

PERSONAL AND CONFIDENTIAL

Mr J.C. Quinn
Newmont Proprietary Limited
AMP Tower
535 Bourke St
MELBOURNE VIC 3000

Dear Sir

RE YOUR LETTER OF 21 DEC 1978
LIONTOWN JOINT VENTURE

10

As advised by telephone today, I have been authorised to inform you that no objections are raised to this proposal in terms of the Government's foreign investment policy insofar as it relates to mineral exploration.

This decision in no way relates to the development stage of the venture. Accordingly, before proceeding to development, the parties would be required to submit to the Foreign Investment Review Board a proposal for examination in terms of the Government's foreign investment policy as it relates to new mineral development projects.

My advice on this matter does not remove the need for the Reserve Bank's approval to be obtained under the Banking (Foreign Exchange) Regulations for any exchange control transactions related to the proposal. To expedite any such application I have advised the Reserve Bank of the above decision.

20

Yours faithfully

E.G. Crossing
E.G. Crossing
Acting First Assistant Secretary

Exhibit "G" - Reply to
First Plaintiff,
300. 17 January, 1979

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

July 11, 1978

Mr. W.J. Hamilton,
Chartered Accountant,
Hamiltons,
1 York Street,
SYDNEY. N.S.W. 2000.

Dear Mr. Hamilton,

Re: Laverton Nickel N.L./Nickel Mines Ltd.
Liontown Prospect

This letter will confirm Newmont's expression of interest in negotiating for the acquisition of Mining Lease Nos. 317 and 320-345 inclusive situated south of Charters Towers, Queensland. The offer set down later in this letter is made by Newmont on behalf of a group comprising H.C. Sleigh Resources Ltd. (20%), ICI Australia Limited (30%) and Newmont Proprietary Limited (50%), which includes a beneficial Australian equity of 32 per cent.

10

Newmont's interest in the Liontown area was first raised in August 1972 as a result of published data from Laverton Nickel N.L. As a result, our geologists approached that Company's Board with a view to visiting the area and assessing the geology and results of the drilling conducted by the Laverton/Nickel Mines Joint Venture. Following this initial review, a farm-in proposal was put to Laverton and was declined.

20

Since that time, Newmont has kept in contact with Laverton's Board and has, on several occasions, either discussed the possibility of Newmont farming-into the Liontown property or submitted formal proposals to that effect. All such proposals were rejected either directly or by implication.

30

Over the same period, metal prices have slumped in a recession from which no early end is generally predicted. At the same time, inflation rates in Australia have escalated the cost of mine development at a very rapid rate. As a result, while Newmont is still interested in the Liontown area, it is our assessment that the property's current and potential value has declined over that period.

40

Newmont considers that Liantown is an interesting base metal prospect, moderately well located with respect to existing infrastructure, but requiring a very substantial amount of additional exploration before ore reserves could be established and feasibility studies undertaken. At the present stage, little drilling has been done below 100 metres and, only if future drilling can demonstrate both an increase in grade and intersected thickness and length of the mineralisation below 100 metres could a mine development be contemplated. We anticipate, therefore, that it might take a minimum of 5-7 years to explore, assess and, if warranted, construct mine facilities with a further 4-6 years to the point when the project has returned capital investment from mine cash flows. This chronology is based upon the experience and forecasts of Jododex/C.R.A. with the Woodlawn Deposit situated at Tarago (near Canberra) in New South Wales. While Woodlawn will initially be an open pit mine, any mine at Liantown will be a more costly and time consuming underground development. (A copy of notes on Woodlawn is attached). You might be interested to know that Woodlawn's ore reserves are 6.3 million tonnes grading 1.7% copper, 5.5% lead, 14.4% zinc, 89 grammes/tonne silver, with a further 3.7 million tonnes assaying 1.9% copper.

10

20

By way of comparison based on earlier evaluations by Newmont (copies of which were provided to the Laverton Nickel management), the Liantown drill indicated and inferred "reserves" were calculated at:-

30

Eastern Lode: 1.093 million tonnes; 0.41% Cu, 2.39% Pb, 7.01% Zn and 2.25 ozs. Ag/tonne.
Western Lode: 0.141 million tonnes; 1.23% Cu, 0.34% Pb, 4.68% Zn and 1.19 ozs. Ag/tonne.

Only 548,000 tonnes of the Eastern Lode "reserve" can be categorised as drill indicated, the remainder is inferred and will require quantifying by further drilling. Likewise, in the small Western Lode, 56,000 tonnes of the 141,000 tonne "reserve" is inferred. The grades in both Eastern and Western lodes are subeconomic on the basis of today's metal prices, and considerable improvement must take place at depth below both lodes if the deposit is to become viable, now or in the short term future.

40

The Newmont group wishes to conduct further exploration at Liantown to test for the possibilities of improvement of the lodes at depth if a suitable arrangement can be made. We feel that in light of Laverton and Nickel Mines current circumstances, the risks involved in exploration and the relatively long lead time which is inherent in developing a mine, should an economic ore body be delineated, that the simplest and most suitable type of arrangement would be an option to purchase 100% of the interest in the Leases. Newmont would be willing to write such an option immediately based on the following general parameters:-

50

- (a) (i) Initial Payment - 12 months - \$40,000 cash
- (ii) 1st Extension - 12 months - \$60,000 "

- 3 -

(iii) 2nd Extension - 12 months - \$100,000 cash.

(b) Exercise Price - \$500,000 payable no later than
14 days from end of 2nd Extension.

As you are aware, our geologists are re-assessing and re-sampling the cores from previous drilling during the current week. Dependant on the outcome of this work, some variation in the aforesaid terms may be warranted.

10

You have previously mentioned the possibility of joint venturing the further work at Liontown. Newmont does not favour such an arrangement, but we do not rule it out completely. Joint Ventures are more complex arrangements and if you wish to pursue this course, we would recommend detailed discussions with you before any formal offer is submitted.

In closing let me stress that whatever form of arrangement is chosen to enable further work to be conducted at Liontown, the likelihood of successful exploration and development will largely depend on the technical expertise, tenacity and financial standing of the organisations conducting the work. Newmont, as manager of the Newmont: Sleight:ICI group, offers considerable advantages in this area. Newmont has a highly qualified and well regarded staff of geologists, geophysicists and engineers with current experience in mine development in Australia. Our unique E.M.P. technology which has been very successful in the short period that it has been available in this country, may be a particularly important cost effective tool in exploration for deep ore shoots at Liontown. Our U.S. parent has a well established and competent metallurgical research group whose skills may be particularly relevant to the successful exploitation of complex ores from the Liontown area and, of course, we have access to mining experience from the group's many mining operations around the world. A copy of the most recent Annual Report of the Newmont Mining Corporation group is enclosed and will give an indication of the financial standing of the Company. H.C. Sleight and ICI Australia Limited will be well known to you.

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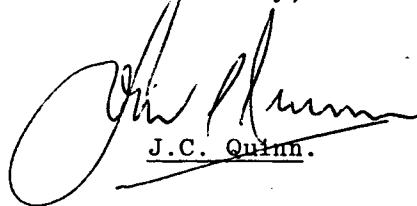
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From your viewpoint as Provisional Liquidator of Laverton Nickel and Nickel Mines, your choice of operator for the further work will be as important as the contractual terms.

We look forward to your comments in due course.

Sincerely,



J.C. Quinn.

JCQ:JP
Enc.

Exhibit "H" - Letter to
Queensland Minister for Mines,
22 December, 1978

-2-

As a result of these applications, to which the Newmont consortium was not joined as a party, certain directions were given which Newmont consider to be inappropriate and which are now subject to appeal in the New South Wales Supreme Court by Newmont, ICI and H.C. Sleight. Until that appeal is dealt with early in the New Year, the original documents are still awaiting stamping in New South Wales.

10

It is our intention that following stamping in New South Wales, the documents will be presented for stamping in Queensland, and we are prepared to make an undertaking to that effect.

We look forward to your approval in due course.

Sincerely,



J.C. Quinn.

JCQ:JP
Enc.

305. Exhibit "H" - Letter to
Queensland Minister for Mines,
22 December, 1978



MINISTER FOR MINES, ENERGY AND POLICE,
18TH FLOOR,
WATKINS PLACE,
288 EDWARD STREET,
BRISBANE 4000

Telex No. 43040

19th January, 1979

Dear Mr. Quinn,

With reference to your letter of 22nd December, 1978 regarding the Liontown Joint Venture Agreement, I desire to advise that on 11th January, 1979 pursuant to Section 37 (2) of the Mining Act, 1968-1976 I indicated that I will approve the transfers of Mining Leases Nos. 233, 317 320 to 345, 402 and 602 to 607, Charters Towers, subject to the following requirements being attended to within a period of not more than three months of such date:-

10

1. The lodgment of duly executed and stamped transfer documents with the Warden, and if issued the Instruments of Lease;
2. the written consent of any person having a beneficial interest in the leases;
3. the payment of any monies outstanding to the Department;
4. the availability of the areas;
5. the fulfilment of all other statutory requirements.

If considered necessary any additional information regarding such proposed transfers may be requested before final approval is given.

20

As regards the transfer of Miner's Homestead Perpetual Lease No. 11436, Charters Towers, I would advise that provided the proposed transferees are qualified persons under the provisions of the Miners' Homestead Leases Act 1913-1978, there would be no objection to the transfer when reported by the Warden, Charters Towers, with whom the relevant documents should be lodged.

Yours sincerely,

(R.E. Camm)
Minister for Mines, Energy
and Police

30

J.C. Quinn, Esq.,
Newmont Proprietary Limited,
A.M.P. Tower,
535 Bourke Street,
MELBOURNE VIC. 3000

Exhibit "H" - Letter to
First Plaintiff, 19 January
306. 1979

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

RECEIVED 30 JAN 1979

January 24, 1979.

Mr. W.J. Hamilton,
William J. Hamilton,
Chartered Accountants,
1 York Street,
SYDNEY. N.S.W. 2000.

Dear Mr. Hamilton,

Re: Liantown Joint Venture

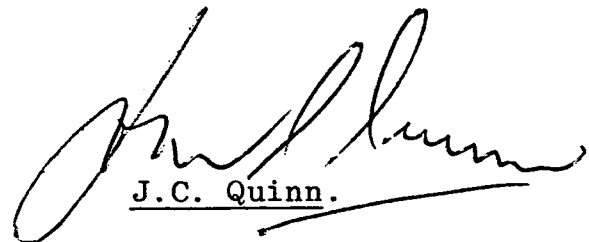
I am enclosing herewith a copy of a letter dated 19th January, 1979, from the Hon. R.E. Camm, Minister of Mines, Energy and Police, in Queensland, indicating his intention to approve the transfer of interests in the various titles subject of the captioned Joint Venture upon the completion of the various matters numbered 1 through 5 in his letter. Would you kindly arrange with the Provisional Liquidator of Nickel Mines Limited to provide me with executed transfer documents with respect to each of the subject Mining Leases and Miners Homestead Perpetual Lease in the form required to transfer to Laverton, Newmont, ICI and Sleigh interests in each of the titles in the percentages specified in clauses 3.3.1 of the Agreement dated 3rd November, 1978.

10

20

We will be grateful if you can attend to this request at your earliest convenience and in this regard draw your attention to the first paragraph of the Hon. Minister's letter which requires that all the matters to which he refers should be attended to no later than the 11th day of April, 1979. I look forward to your early advice.

Sincerely,


J.C. Quinn.

30

JCQ:MD
encl.



MINISTER FOR MINES, ENERGY AND POLICE.

18TH FLOOR.

WATKINS PLACE.

288 EDWARD STREET.

BRISBANE. 4000.

Telex No. 43040

19th January, 1979

Dear Mr. Quinn,

With reference to your letter of 22nd December, 1978 regarding the Liantown Joint Venture Agreement, I desire to advise that on 11th January, 1979 pursuant to Section 37 (2) of the Mining Act, 1968-1976 I indicated that I will approve the transfers of Mining Leases Nos. 233, 317 320 to 345, 402 and 602 to 607, Charters Towers, subject to the following requirements being attended to within a period of not more than three months of such date:-

1. The lodgment of duly executed and stamped transfer documents with the Warden, and if issued the Instruments of Lease;
2. the written consent of any person having a beneficial interest in the leases;
3. the payment of any monies outstanding to the Department;
4. the availability of the areas;
5. the fulfilment of all other statutory requirements.

10

If considered necessary any additional information regarding such proposed transfers may be requested before final approval is given.

20

As regards the transfer of Miner's Homestead Perpetual Lease No. 11436, Charters Towers, I would advise that provided the proposed transferees are qualified persons under the provisions of the Miners' Homestead Leases Act 1913-1978, there would be no objection to the transfer when reported by the Warden, Charters Towers, with whom the relevant documents should be lodged.

Yours sincerely,

(R.E. Camm)

Minister for Mines, Energy
and Police

30

J.C. Quinn, Esq.,
Newmont Proprietary Limited,
A.M.P. Tower,
535 Bourke Street,
MELBOURNE VIC. 3000

308. Exhibit "J" - Enclosure to
Letter to W.J. Hamilton,
24 January, 1979

Hamiltons
Chartered Accountants

NSW 1 York Street Sydney • (02) 241 3831 • Box 1724 GPO Sydney 2001 NSW • DX675
ACT National Mutual Building Darwin Place • (062) 47 0972 • Box 1129 Canberra City 2601 • DX5607

Handwritten notes:
JH/KTH
P. Somerset (HCS)
R. Ashcroft (C)

Our Ref WJH:KL
Your Ref JCQ:MD

31 January 1979

Handwritten notes:
A. Bellmore
John Burgess +
Marilyn
2.6.1.1
Min Lease
Cancel

Newmont Pty. Limited,
A.M.P. Tower,
535 Bourke Street,
Melbourne,
VICTORIA. 3000.

Attention: Mr John Quinn.

Dear Mr Quinn,

10

RE: LAVERTON NICKEL N.L. LIONTOWN JOINT VENTURE

Thank you for your letter of 24th January, 1979 wherein you mentioned that the procedures should be carried out by 11th April, 1979, set out in the letter of 18th January, 1979 from the Minister for Mines, Energy and Police in the State of Queensland.

You will appreciate that it would be premature to provide you with the executed transfer documents in respect of each of the mining leases and Miners Homestead Perpetual Lease until such time as the agreement has been approved by the Supreme Court.

I have forwarded however, a copy of your letter and its attachment abovementioned to the Provisional Liquidator of Nickel Mines Limited, Mr Hunter together with a copy of this letter and I feel that he will on legal advice, form the same view. In fact the view has been expressed to me by Peter Somerset who is also advising Mr Hunter in this matter.

20

Yours faithfully,
LAVERTON NICKEL N.L.

Handwritten signature: WJH

W.J. Hamilton
PROVISIONAL LIQUIDATOR

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 1691 of 1979

NEWMONT PROPRIETARY
LIMITED

First Plaintiff

I.C.I. AUSTRALIA
LIMITED

Second Plaintiff

H.C. SLEIGH

RESOURCES LIMITED

Third Plaintiff

LAVERTON NICKEL
N.L.

First Defendant

NICKEL MINES
LIMITED

Second Defendant

LEONORA NICKEL
N.L.

Third Defendant

ESSO EXPLORATION
& PRODUCTION
AUSTRALIA INC.

Fourth Defendant

NOTICE TO PRODUCE

COLIN BIGGERS &
PAISLEY,
SOLICITORS,
33 BLIGH STREET
SYDNEY NSW 2000

PHONE: 221 2022

DX 280 SYDNEY

TO:

MESSRS. COLIN W. LOVE & CO,
183 MACQUARIE STREET,
SYDNEY NSW 2000

The Plaintiff requires you to produce at the Supreme Court, Queen Square, on the 16th April, 1980 at 10.00 am the following documents for the purposes of evidence:-

10

- (i) All correspondence from Messrs. Colin W. Love & Co to Colin Biggers & Paisley, and all correspondence from Colin Biggers & Paisley to Colin W. Love & Co.

A.L. Bellemore

Plaintiff's Solicitor

20

SERVED: 15th OF April, 1980.

30

COLIN BIGGERS & PAISLEY

SOLICITORS
KINDERSLEY HOUSE

TELEPHONES 221 2022

CONSULTANT TO THE FIRM

COLIN BIGGERS A A S A

CABLES & TELEGRAMS
"BIGPAIS" SYDNEY

PARTNERS

ROBERT E PAISLEY LL B
JOHN B POWE LL B
ADRIAN L BELLEMORE LL B
DOUGLAS R PAISLEY LL B
A CHRISTOPHER RUMORE LL B
~~XXXXXXXX~~
GREGORY A SKEHAN LL B

33 BLIGH STREET
SYDNEY 2000
DX 280 SYDNEY
OUR REF ALB:SM
YOUR REF

BRANCH OFFICE
SUITE 5 46 LANGSTON PLACE, EPPING 2121
TELEPHONE 86 2273 86 4238

28th February, 1979.

Messrs. Colin W. Love & Co.,
Solicitors,
DX 948 SYDNEY.

Dear Sirs,

RE: LAVERTON NICKEL N.L.

As you know we are the Solicitors for Newmont Proprietary Limited and I.C.I. Australia Limited and H.C. Sleigh Resources Limited which entered into an agreement with your client and Nickel Mines Limited on the 3rd November, 1978 with respect to the leases therein referred to and known as the Liontown Prospect.

10


We are instructed to require that your client comply with the terms of the covenant contained in clause 11.11.2 of that document and that it delivers to our clients executed documents of transfer in relation to each of the mining titles referred to in the agreement.

We also seek your undertaking that your client acknowledges itself bound by the terms of that agreement and that it will not purport to take any steps inconsistent with its obligations thereunder.

We look forward to your early reply in relation to these matters which are of course of importance to our clients.

20

Yours faithfully,
COLIN BIGGERS & PAISLEY.


A.L. BELLEMORE

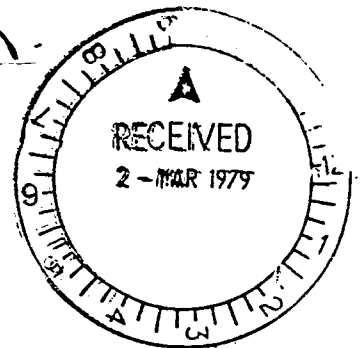


Exhibit "L" - Letter to
Colin W. Love & Co.,
28 February, 1979

Colin W. Love & Co.
SOLICITORS

Colin W. Love, LL.B.
Consultant: J. V. Comans

Telephones
Business 221 2488 (4 lines)
Private 665 5218

Macquarie Chambers
Suite 42, 4th Floor,
183 Macquarie Street,
Sydney, 2000
DX 948

CWL.DS

*Rec'd
6-3-79
ab.*

2nd March, 1979

Messrs. Colin Biggers & Paisley,
Solicitors,
D.X. 280.
SYDNEY.

Dear Sirs,

Re: Laverton Nickel N.L.

We refer to your letter of 28th February, 1979.

Our client does not consider itself bound by the terms of
any purported agreement made with your clients.

10

Yours faithfully
COLIN W. LOVE & CO.,

Per: 

COLIN BIGGERS & PAISLEY

SOLICITORS

KINDERSLEY HOUSE

TELEPHONES 221 2022

CABLES & TELEGRAMS
"BIGPAIS" SYDNEY

BRANCH OFFICE
SUITE 5 46 LANGSTON PLACE EPPING 2121
TELEPHONE 86 2273 86 4238

33 BLIGH STREET
SYDNEY 2000

DX 280 SYDNEY

OUR REF ALB:SM

YOUR REF

5th November, 1979.

CONSULTANT TO THE FIRM

COLIN BIGGERS AASA

PARTNERS

ROBERT E PAISLEY LL B

JOHN B POWE LL B

ADRIAN L BELLEMORE LL B

DOUGLAS R PAISLEY LL B

A CHRISTOPHER RUMORE LL B

~~ASSOCIATE~~

GREGORY A SKEHAN LL B

Messrs. Colin W. Love & Co.,
Solicitors,
183 Macquarie Street,
SYDNEY. N.S.W. 2000.

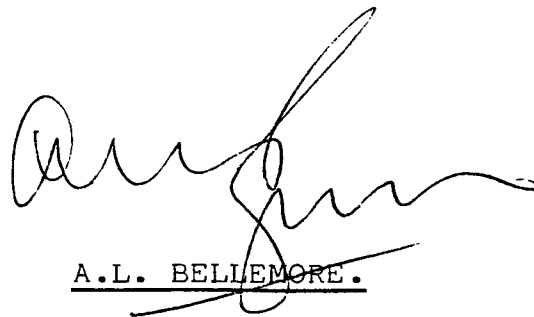
Dear Sirs,

RE: NEWMONT PROPRIETARY LIMITED & OTHERS.
YOUR CLIENTS: LAVERTON NICKEL N.L. & NICKEL MINES LTD.

We are instructed by our clients Newmont Proprietary Limited, I.C.I. Australia Limited and H.C. Sleigh Resources Limited to write concerning the Joint Venture Agreement between our clients and your clients. 10

The Agreement provides in clause 5.4.1 for our clients to pay the sum of \$37,500.00 no later than fourteen (14) days after the key date which is defined in clause 5.2.3.1. We hereby confirm on behalf of our clients that they have always been and remain prepared to pay the required sum and offer to pay the same forthwith.

Yours faithfully,
COLIN BIGGERS & PAISLEY. 20


A.L. BELLEMORE.

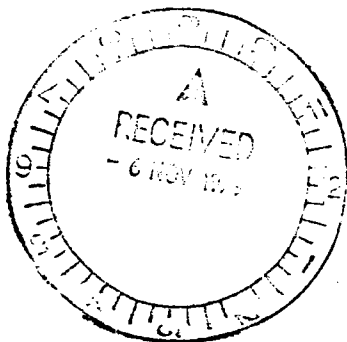


Exhibit "M" - Letter to
Colin W. Love & Co.,
313. 5 November, 1979

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

November 13, 1978

Mr. W.J. Hamilton,
Provisional Liquidator,
Laverton Nickel N.L.,
C/- Hamiltons,
1 York Street,
SYDNEY. N.S.W. 2000.

RECEIVED 16 NOV 1978

Dear Mr. Hamilton,

Following execution of the Liantown Joint
Venture Agreement, Newmont wrote to the Reserve Bank
requesting their consideration and approval of the
completed document.

10

We have today received confirmation of the
Reserve Bank's approval and enclose a copy of their
letter dated November 9, 1978 for your files.

Sincerely,



P.A. Jackson,
Financial Controller.

PAJ:JP
Enc.

314. Exhibit "N" - Letter to
W.J. Hamilton,
13 November, 1978



60 COLLINS STREET

BOX 1631M GPO MELBOURNE 3001

TELEPHONE 63 0101

RESERVE BANK OF AUSTRALIA

IN REPLY PLEASE QUOTE

EC.MC

9 November 1978

The Secretary
Newmont Proprietary Limited
AMP Tower
535 Bourke Street
MELBOURNE, VIC. 3000

	BIS
	BTR
	AMH
5	JCQ
5	PT
	GGD
	AS
	BTH
	TM
	KHR
	NOTE

Dear Sir,

EXCHANGE CONTROL
LIONTOWN JOINT VENTURE

R.L. Abbott,
ICI
P.H. MacSporran, *H.C. Sleigh,*
W.J. Hamilton, Laverton
Nickel 10.L

We refer to your letters of 1 November 1978 (JCQ/dy) and 3 November 1978 (JCQ:JP) and enclosures.

There is no objection under the Banking (Foreign Exchange) Regulations to your company entering into the joint venture agreement as submitted with ICI Australia Limited, H.C. Sleigh Resources Limited and the Provisional Liquidators of Laverton Nickel N.L. and Nickel Mines Limited covering 35 mining leases in the Charters Towers, Queensland area.

It is a condition of this Exchange Control authority that before being implemented, any necessary clearance is obtained under the Government's foreign investment policy.

20

Please note that any proposal to finance further payments under the agreement from your company's head office should be submitted for our prior consideration and will be considered in the light of policy applying at the time of application.

Yours faithfully,

K.J. Broughton
Assistant Manager
Exchange Control and
Foreign Exchange Department

30

Exhibit "N" - Enclosure to
Letter to W.J. Hamilton,

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

RECEIVED 25 JAN 1979

January 22, 1979.

Mr. W.J. Hamilton,
William J. Hamilton,
Chartered Accountants,
1 York Street,
SYDNEY. N.S.W. 2000.

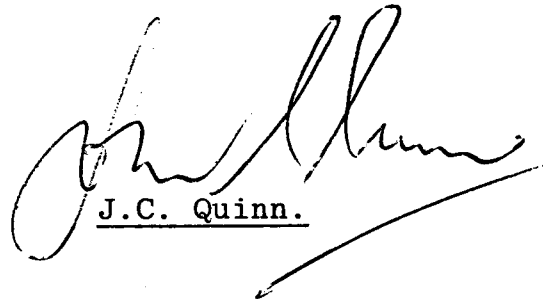
Dear Bill,

Re: Liontown Joint Venture

I am enclosing herewith a copy of correspondence received today from the Treasury in Canberra indicating that the Foreign Investment Review Board have no objections to the captioned Joint Venture.

10

Sincerely,



J.C. Quinn.

JCQ:MD
encl.



The Treasury
Canberra ACT 2600

TELEPHONE 63 9111

REFERENCE NO.
78/FOID 2212

17 JAN 1979

PERSONAL AND CONFIDENTIAL

Mr J.C. Quinn
Newmont Proprietary Limited
AMP Tower
535 Bourke St
MELBOURNE VIC 3000

Dear Sir

RE YOUR LETTER OF 21 DEC 1978
LIONTOWN JOINT VENTURE

As advised by telephone today, I have been authorised to inform you that no 10
objections are raised to this proposal in terms of the Government's foreign
investment policy insofar as it relates to mineral exploration.

This decision in no way relates to the development stage of the venture.
Accordingly, before proceeding to development, the parties would be
required to submit to the Foreign Investment Review Board a proposal for
examination in terms of the Government's foreign investment policy as it
relates to new mineral development projects.

My advice on this matter does not remove the need for the Reserve Bank's 20
approval to be obtained under the Banking (Foreign Exchange) Regulations
for any exchange control transactions related to the proposal. To expedite
any such application I have advised the Reserve Bank of the above decision.

Yours faithfully

T. G. Crossing
for E.G. Crossing
Acting First Assistant Secretary

Exhibit "N" - Enclosure to
Letter to W.J. Hamilton,
317. 22 January, 1979

Hamiltons

Chartered Accountants

NSW 1 York Street Sydney • (02) 241 3831 • Box 1724 GPO Sydney 2001 NSW • DX675
ACT National Mutual Building Darwin Place • (062) 47 0972 • Box 1129 Canberra City 2601 • DX5607

Our Ref WJH:KL
Your Ref

1 February 1979

Wallace McMullin & Smail,
Chartered Accountants,
52 Phillip Street,
SYDNEY. 2000.

Attention: Mr Brian Hunter

Dear Sir,

RE: LAVERTON NICKEL N.L. LIONTOWN JOINT VENTURE

I attach copy of letter herewith, Newmont Pty. Limited, 24th January, 1979, together with the enclosure being letter of 19th January, 1979 from the Minister for Mines, Energy, Police, Queensland. You will see that Mr Quinn requires transfers to be executed in respect of the various leases to enable registration. This would be premature. Mr Somerset is of the view that such steps as this, should not be taken until the contract is approved. You may care to speak however, directly with Mr Somerset on this aspect.

10

Yours faithfully,
LAVERTON NICKEL N.L.

SH

W.J. Hamilton
PROVISIONAL LIQUIDATOR

encl.

RECEIVED	
- 7 FEB 1979	
Master	Balance Sheet
Correspondence	Documents
Bank	Tax
Proof/Debts	S/Crs.
W/Papers	Debtors
Admin. Liabilities	

20

W. J. Hamilton

318. Exhibit "O" - Letter to
Wallace McMullin & Smail

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

January 24, 1979.

Mr. W.J. Hamilton,
William J. Hamilton,
Chartered Accountants,
1 York Street,
SYDNEY. N.S.W. 2000.

RECEIVED 30 JAN 1979

Dear Mr. Hamilton,

Re: Liantown Joint Venture

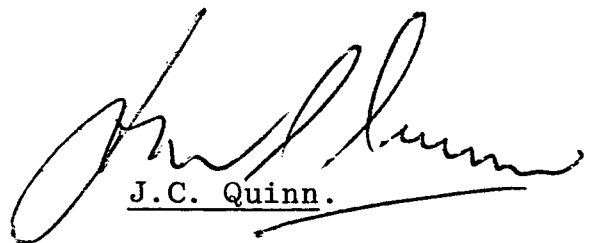
I am enclosing herewith a copy of a letter dated 19th January, 1979, from the Hon. R.E. Camm, Minister of Mines, Energy and Police, in Queensland, indicating his intention to approve the transfer of interests in the various titles subject of the captioned Joint Venture upon the completion of the various matters numbered 1 through 5 in his letter. Would you kindly arrange with the Provisional Liquidator of Nickel Mines Limited to provide me with executed transfer documents with respect to each of the subject Mining Leases and Miners Homestead Perpetual Lease in the form required to transfer to Laverton, Newmont, ICI and Sleigh interests in each of the titles in the percentages specified in clauses 3.3.1 of the Agreement dated 3rd November, 1978.

10

20

We will be grateful if you can attend to this request at your earliest convenience and in this regard draw your attention to the first paragraph of the Hon. Minister's letter which requires that all the matters to which he refers should be attended to no later than the 11th day of April, 1979. I look forward to your early advice.

Sincerely,


J.C. Quinn.

JCQ:MD
encl.

30



MINISTER FOR MINES, ENERGY AND POLICE.
18TH FLOOR.
WATKINS PLACE.
288 EDWARD STREET.
BRISBANE. 4000

Telex No. 43040

19th January, 1979

Dear Mr. Quinn,

With reference to your letter of 22nd December, 1978 regarding the Liontown Joint Venture Agreement, I desire to advise that on 11th January, 1979 pursuant to Section 37 (2) of the Mining Act, 1968-1976 I indicated that I will approve the transfers of Mining Leases Nos. 233, 317 320 to 345, 402 and 602 to 607, Charters Towers, subject to the following requirements being attended to within a period of not more than three months of such date:-

1. The lodgment of duly executed and stamped transfer documents with the Warden, and if issued the Instruments of Lease;
2. the written consent of any person having a beneficial interest in the leases;
3. the payment of any monies outstanding to the Department;
4. the availability of the areas;
5. the fulfilment of all other statutory requirements.

If considered necessary any additional information regarding such proposed transfers may be requested before final approval is given.

As regards the transfer of Miner's Homestead Perpetual Lease No. 11436, Charters Towers, I would advise that provided the proposed transferees are qualified persons under the provisions of the Miners' Homestead Leases Act 1913-1978, there would be no objection to the transfer when reported by the Warden, Charters Towers, with whom the relevant documents should be lodged.

Yours sincerely,

(R.E. Camm)
Minister for Mines, Energy
and Police

J.C. Quinn, Esq.,
Newmont Proprietary Limited,
A.M.P. Tower,
535 Bourke Street,
MELBOURNE VIC. 3000

Exhibit "O" - Enclosure to
Letter to Wallace McMullin
& Smail
320.

10

20

30

P. A. SOMERSET & Co.

Solicitors

OUR REF: PAS

YOUR REF:

167 MACQUARIE STREET,
SYDNEY, 2000
TEL. 221 1300
D.X. 834 SYDNEY

*Rec'd 22.11.78
P.A.*

21st November, 1978.

Messrs. Colin Biggers & Paisley,
Solicitors,
DX 280,
SYDNEY.

ATTENTION: MR. BELMORE

Dear Sirs,

Re: Laverton Nickel N.L. - Newmont Proprietary
Limited

We refer to our telephone conversation of 20th November and now enclose copy of the Judgment of Mr. Justice Needham of 3rd November, together with a copy of the Judgment delivered by him on 17th November with the attached Agreements which were read onto the transcript. 10

As you will appreciate the attitude that our client adopts in this matter is entirely determined by His Honour's Judgments. Our client is obliged pursuant to the Order made on 3rd November to pursue the course of action that he has taken. Your clients should in no way take the view that the Agreement that they have is in any way affected by what has been done, nor should they take the view that approval will not be sought to that Agreement as soon as convenient. At the present time however for the reasons that we have outlined to you, and as it appears clear from the enclosed documentation, it is not possible to seek approval until the steps referred to have been attended to. No doubt Mr. Hamilton will be in touch with your client direct at an appropriate time. 20

To the extent that there is any documentation forwarded by Mr. Hamilton in the manner envisaged in paragraph 3 of the Agreement, you should note that any such invitation to tender is forwarded on the basis of the Court Order, namely that it is a condition of obtaining the Court's approval to the Agreement between the parties. It is not intended by the forwarding of any such document to effect a repudiation of the Agreement in any way. 30

Cont'd. 2.

Exhibit "P" - Letter to
Plaintiffs' Solicitors,
21 November, 1978

Exhibit "P" - Letter to
Plaintiffs' Solicitors,
21 November, 1978

Messrs. Colin Biggers & Paisley. 2. 21st November, 1978.

We have been contacted by Mr. Jackson of Newmont who has indicated that your Firm will be acting for them also, however we have taken the liberty of forwarding - at his specific request - a copy of the documents together with a copy of this letter.

Yours faithfully,

10

P.A. SOMERSET & CO.

Encls.

322. Exhibit "P" - Letter to
Plaintiffs' Solicitors,
21 November, 1978

LAVERTON NICKEL NL and THE COMPANIES ACT

- JUDGMENT -

HIS HONOUR: This is an application by Mr. Lynch, a large shareholder in the company, seeking orders restraining the provisional liquidator from entering into an agreement with Newmont Pty. Limited in respect of the development of the mining leases known as the Lion Town leases which are jointly owned by this company and by Nickel Mines Limited.

10

The basis of the claim for an injunction against the Receiver entering into the agreement is that there are two other companies expressing interest in making offers for the development of the leases, and it is said the provisional liquidator should not enter into this agreement until such time as the persons interested have had an adequate opportunity to place before him a considered offer.

20

The evidence does indicate that the time given, at least to one of the other companies, was considered by that company to be inadequate for it to make an informed bid. However, the provisional liquidator is somewhat on the horns of a dilemma, because Newmont has informed him that unless the contract with that company is signed by two o'clock today, which is less than an hour away, Newmont will withdraw entirely from negotiations.

1.

I am told that the provisional liquidator of Laverton and the provisional liquidator of Nickel Mines Limited, and their mining engineer, consider that the agreement is one which could be properly entered into by the provisional liquidators and there is no reason, on the evidence before me, to doubt that if difficulties are put in the way of Newmont at this stage they will indeed break off negotiations, in which case the provisional liquidators would be faced with the situation where they had no binding offer or no offer at all to purchase an interest in the development of these leases. 10

I should say that the proposed contract for the joint venture is one which is expressed to be conditional upon its approval by this court. Apparently some misunderstanding arose between the solicitors for Mr. Lynch and the solicitors for the provisional liquidator as to the procedure which the latter would follow in applying for the approval of the court to the agreement, and it may be that that was one of the reasons which inspired this application. 20

Although the court has the power to control the exercise by provisional liquidators of the powers granted in the order appointing them I think that control will be exercised adequately by the court investigating all relevant material when the application is made by the provisional liquidators to have the agreement with Newmont Pty. Limited approved. Certainly at that time I would anticipate directing the liquidators to join as parties, or to give notice to any person who has a valid interest in the fate of the contract with Newmont Pty. Limited. However, no doubt directions can later be given to the liquidators in that respect. 30

I think that one of the matters which will be of importance when the application is made to approve of the contract is the likelihood of any other company making a better offer than Newmont has made in respect of the proposed joint venture. In that respect it would be unlikely that this

2.

contract would be approved unless evidence were produced of the efforts which had been made to get better offers, particularly in the light of the evidence as it now appears, and while the liquidators are not seeking any directions from me at this stage I think it would not be out of place for me to say that I think that even though I am certainly not going to stop Mr. Hamilton or Mr. Hunter executing this agreement today, 10 it is my view that the other interested parties should be pursued, despite the execution of the agreement.

It was suggested that perhaps that course of conduct on the part of the liquidators might be commercially immoral, but as I pointed out to the solicitor for the provisional liquidators during the argument, there is high authority for the proposition that a trustee must not permit his duty to get the best deal for his beneficiary to be frustrated by any considerations of commercial morality, and if any feelings of delicacy do inhibit the conduct of these negotiations, then it 20 may be that that would have an effect upon the attitude of the court to the approval of the contract in the long run.

I do not think I need to say anything further except to say that I am not at this stage inclined to give the applicant the relief that he seeks, and I would make no order at this stage on the Notice of Motion. I think that the proper order is perhaps to dismiss the Notice of Motion and I reserve the question of costs. Exhibits may be returned.

I certify that this and the 2 preceding pages are a true record of the Reasons for Judgment of his Honour Mr. Justice Needham. 30

B. Turner
ASSOCIATE

Date 3/11/78

3.

IN THE SUPREME COURT
OF NEW SOUTH WALES
EQUITY DIVISION

)
) No. 2112 of 1978
)

CORAM: NEEDHAM, J.

FRIDAY, 17TH NOVEMBER, 1978

LAVERTON NICKEL N.L. AND COMPANIES ACT

MR SOMERSET (SOLICITOR) appeared for the applicant.
MR NICHOLAS appeared for the respondent.

- - - - -

(Mr Somerset opened)

HIS HONOUR: I grant leave to the applicant to file summons in 10
the form initialled by me returnable in stant~~a~~.er.

(Affidavit of Mr Hamilton sworn 16th November, 1978 read
by Mr Somerset)

(Agreement dated 3rd November, 1978 tendered without
objection, admitted and marked Ex. AH)

(Mr Somerset addressed)

(Parties adjourned into private discussions)

1.

Exhibit "P" - Enclosure to
Letter to Plaintiffs'
326. Solicitors, 21 November, 1978

GPL/JC/4

ON RESUMPTION:

MR. NICHOLAS: Would your Honour make the following orders and note them as an arrangement between the parties:

- (i) that subject to para. 2 hereof, the applicant is justified in calling for tenders limited to the companies referred to in para 11 of his affidavit sworn 16th November, 1978. 10
- (ii) the applicant is justified in calling for tenders limited as aforesaid and is justified in accepting the best thereof subject to the approval of the court having regard to all the circumstances, provided that he has consulted with the committee of inspection and Mr. Lynch or Mr. Love and has given due consideration to the views expressed by it and him.
- (iii) as a condition of obtaining the court's approval to the agreement, Ex. AH, the applicant is justified in sending a copy of the invitation to tender to Newmont Pty. Limited, I.C.I. Australia Limited and H.C. Sleigh Resources Limited. 20
- (iv) The applicant agrees to make available to Messrs. Colin W. Love & Co., Solicitors, copies of all documents held by him since his appointment, and to be received by him hereafter, in relation to the Lion Town prospect.
- (v) It is noted that Mr. Lynch or Mr. Love is at liberty to attend any meetings of the committee of inspection and to participate therein until further order, and all notices in relation to such meetings will be given or sent to Mr. Love. 30

(Mr. Somerset indicated he was happy with the above outlined arrangement)

HIS HONOUR: I note that the applicant and the respondent have reached agreement, the terms of which have been read on to the transcript, as to the procedure to be followed by the applicant in attempting to obtain the best terms for the development of the Lion Town leases.

I direct the applicant that he is justified in entering into such an agreement with the respondent and in conducting his negotiations in accordance with its terms. No order as to costs. Exhibit AH may be returned. 40

--o0o--

COLIN BIGGERS & PAISLEY

CONSULTANT TO THE FIRM

COLIN BIGGERS. A.A.S.A.

PARTNERS

ROBERT E PAISLEY. LL.B.

JOHN B POWE. LL.B.

ADRIAN L BELLEMORE. LL.B.

DOUGLAS R PAISLEY. LL.B.

A CHRISTOPHER RUMORE. LL.B.

GREGORY A SKEHAN. LL.B.

SOLICITORS

"B"

KINDERSLEY HOUSE

12TH LEVEL

33 BLIGH STREET

SYDNEY 2000

DX 280 SYDNEY

OUR REF ALB:SM

YOUR REF

TELEPHONES 221 2022

CABLES & TELEGRAMS
BIGPAIS SYDNEY

BRANCH OFFICE
SUITE 5 46 LANGSTON PLACE EPPING 2121
TELEPHONE 86 2273. 86 4238

23rd November, 1978.

Messrs. P.A. Somerset & Co.,
Solicitors,
167 Macquarie Street,
SYDNEY. N.S.W. 2000.

Dear Sirs,

RE: NEWMONT PROPRIETARY LIMITED & . OTHERS.
YOUR CLIENT: LAVERTON NICKEL N.L.

We thank you for your letter of the 21st November, 1978 and for the enclosures therewith.

10

We note what you say as to the attitude of your client in the light of what has been said by His Honour Mr. Justice Needham.

Following the events however of the 3rd November, 1978 when His Honour made his views clear in a number of respects and when shortly thereafter the agreement was signed our clients had anticipated that the Provisional Liquidators would have made application to the Equity Division of the Supreme Court forthwith for approval of the Agreement.

Our clients had further anticipated that they would have been given notice of the hearing of that Application and that at the hearing Mr. Hamilton would have given evidence setting out in detail the history of his negotiations with a number of different parties to obtain a suitable Contract, the offers he received, the agreement reached with our clients, the length of time these events took and, in some detail, the reasons why he thought that the Contract that he signed on the 3rd November, 1978 was the most advantageous one commercially for the companies of which he and Mr. Hunter are respectively Provisional Liquidators.

20

From what Mr. Somerset has told us occurred on the 17th November and from our reading of the transcript before His Honour it does not seem that that Application was one for approval along the lines that we have indicated above.

30

THIS IS THE ANNEXURE MARKED "B" REFERRED TO IN THE AFFIDAVIT OF Adrian Leonard Bellemore SWORN BEFORE ME AT Sydney THIS 28th DAY OF November 1979. I.C. Thompson

Exhibit "P" - Letter to
P.A. Somerset & Co.,
328. 23 November, 1978

Exhibit "P" - Letter to
P.A. Somerset & Co.,
23 November, 1978

It does seem to us that clause 3.1.2(3) of the Joint Venture Agreement makes it necessary for the approval of the Equity Division to be sought.

It is our clients view that it is clearly in the interests of all parties that this be done at the earliest possible time notwithstanding the directions obtained on the 17th November last.

-2-

23rd November, 1978.

Messrs. P.A. Somerset & Co.,

10

We accordingly request you to make an Application and to support it by evidence as outlined above seeking the approval of the Court to the Agreement.

Our clients will give any necessary evidence in this regard.

If your clients are concerned about making such an Application now because of the directions given by His Honour our clients will be quite happy for it to be made clear to His Honour that it is on their request that the Application is brought forward at this stage.

May we have your immediate advice as to the request made herein as our clients regard the matter as of great importance to them as well as believing that it is in the interests of all parties that the matter be resolved without further delay.

20

We are instructed by our clients that Mr. Hamilton intends on Monday the 27th November, 1978 to send invitations to other parties requesting tenders with respect to the same matters the subject of our client's agreement.

In the circumstances we require your reply to this letter by twelve noon on Monday the 27th November, 1978 together with your undertaking on behalf of the provisional liquidators that no invitations to tender will be sent.

30

Yours faithfully,
COLIN BIGGERS & PAISLEY.

A.L. BELLEMORE.

Exhibit "P" - Letter to
P.A. Somerset & Co.,
329. 23 November, 1978

"C"

xxxxxxx

ALB:SM

27th November, 1978.

Messrs. P.A. Somerset & Co.,
Solicitors,
167 Macquarie Street,
SYDNEY. N.S.W. 2000.

Dear Sirs,

RE: NEWMONT PROPRIETARY LIMITED & OTHERS.
YOUR CLIENTS: LAVERTON NICKEL N.L. & NICKEL MINES
LIMITED.

10

We refer to our letter of the 23rd November, 1978 and note that Mr. Quinn of Newmont Proprietary Limited has this day spoken to Mr. Hamilton who has indicated that he will not send out invitations to other parties requesting tenders until Wednesday the 29th November, 1978.

You might be kind enough to confirm this.

Yours faithfully,
COLIN BIGGERS & PAISLEY.

A.L. BELLEMORE.

THIS IS THE ANNEXURE MARKED "C" REFERRED TO IN THE
AFFIDAVIT OF Adrian Leonard Bellemore SWORN BEFORE
ME AT Sydney THIS 28th DAY OF November 1979.

20

I.C. Thompson

Exhibit "P" - Enclosure to
Letter to P.A. Somerset &
330. Co., 23 November, 1978



Corporate Affairs Commission



Mr W J Hamilton
1 York Street
SYDNEY N S W 2000

175 Castlereagh Street.
Sydney
Address all mail to
The Commissioner, G.P.O. Box 7018
Sydney 2001
Telex: CASYD 26504

Our reference: GN ar

Your reference:

618621
Telephone: 212
Extension 212

21st September 1978

Dear Mr Hamilton

I have been directed by the Attorney General to write to you and comment on four draft deeds submitted by you in support of your request that subject to the execution of the deeds the petition by the Attorney General to wind up Laverton Nickel No Liability (Laverton) be withdrawn. Copies of the draft deeds are attached as Annexures One to Four respectively.

10

Inherent in the deeds, which I have been informed by Mr. P.A. Somerset have been executed by all parties, are the following propositions -

(1) Control of Nickel Mines Limited (Nickel Mines) to be vested in William James Hamilton until such time as Nickel Mines repays Laverton the sum of \$190,647 and also repays Leonora Nickel No Liability (Leonora) the sum of \$514,866.

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(2) Independent of proposition (1), Nickel Mines to give W.J. Hamilton complete and irrevocable control of the Liontown Prospect (Mineral Leases 317 and 320 to 345 (inclusive)) during a period of four years, which Prospect is undertaken in equal partnership between Nickel Mines and Laverton.

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(3) Mr. James Joseph Lynch to execute in blank and deposit with Mr. Hamilton a share transfer in respect of the total shareholding of Mr. Lynch in Nickel Mines which transfer Mr. Hamilton will be entitled to complete and register

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Exhibit "Q" - Letter from
331. Corporate Affairs Commission

Exhibit "Q" - Letter from
Corporate Affairs Commission

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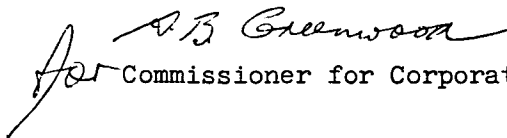
- if either the constitution of the board of Nickel Mines is altered without the approval of Mr. Hamilton, or any attempt is made to sell, transfer, charge or dispose of any of the assets of Nickel Mines without the consent of Mr. Hamilton, in each case during the period between the execution of the deeds and the repayment by Nickel Mines of \$190,647 to Laverton and \$514,866 to Leonora. 10
- (4) Mr. Hamilton to be appointed director of Laverton during the period referred to in proposition (3) above, and to have the right to replace such directors of Laverton as may have held office at the execution of the deeds. 20
- (5) The consent of Mr. Hamilton to be obtained prior to the appointment of any director to the board of Laverton during the period in which he is a director of Laverton.
- (6) Mr. Hamilton to have absolute and unfettered control and power to dispose of all shares held by Nickel Mines Underwriting and Mining Investments Limited, and Mineral Nominees Pty. Limited in Laverton during a period of four years from the execution of the deeds referred to herein with each of Nickel Mines, Underwriting and Mining Investments Limited, and Mineral Nominees Pty. Limited to execute in blank share transfers in relation to all shares held by them in Laverton at the date of the deeds referred to herein being signed and each of those companies to give those signed transfers to Mr. Hamilton. 30
40
- (7) Leonora directs Nickel Mines to pay \$218,427 direct to Laverton in part reduction of the Nickel Mines debt to Leonora of \$518,866, such payment to be treated as reduction of the Leonora debt due to Laverton, and in support of this direction Leonora charges in favour of Laverton its debt of \$514,866 due from Nickel Mines with the said payment of \$218,427. 50

/3...

- (8) Each of Nickel Mines, Laverton, Leonora, Underwriting and Mining Investments Limited and Expo Investment Corporation Limited to be restored to their respective financial positions as if certain transactions that took place on the 17th May 1978 had not taken place and the assets and liabilities of each of the said companies as between themselves will be restored to the position they were in prior to the said transactions of the 17th May 1978, which transactions were detailed at pages 9 and 10 of the judgement of His Honour Mr. Justice Needham given in matter 2371 of 1978 on 4th September 1978. 10
20

On the written assurance of each of the persons and companies referred to herein that it is their intention by the execution of the four deeds, copies of which are annexed hereto, to give effect to the propositions set out herein, and on those persons and companies proving to the satisfaction of the Attorney General that the four deeds have been duly executed and further that all parties to the deeds have in fact done all that they undertake to do in the text of the deeds, I am directed to advise you that the Attorney General consents in principle to withdrawal of his petition to wind up Laverton and pending that withdrawal to the continuation of the provisional liquidation. 30

Yours faithfully


Commissioner for Corporate Affairs

IN THE SUPREME COURT
OF NEW SOUTH WALES
EQUITY DIVISION

)
) No. 3848 of 1978
)

CORAM: NEEDHAM J

WEDNESDAY, 6 DECEMBER 1978

NEWMONT PTY. LIMITED & ORS. v. LAVERTON NICKEL NL & ANOR.

- JUDGMENT -

HIS HONOUR: This is an application for an injunction re-
straining the provisional liquidator of Laverton Nickel N.L.
and the provisional liquidator of Nickel Mines Limited from
calling for tenders for the exploration of the leasehold
interests owned jointly by Laverton Nickel N.L. and Nickel
Mines Limited pending the hearing of an application by the
provisional liquidators to the Court for approval of the
agreement between the plaintiffs and Laverton Nickel N.L.
and Nickel Mines Limited. The summons also seeks a declara-
tion that the agreement is binding on the two companies
mentioned.

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The application is an unusual one. On 3 November last
I gave judgment on an application by Mr. Lynch, in which he
sought orders restraining the provisional liquidators of
the two companies from entering into an agreement with the
present plaintiffs. The basis of the application was that
other companies were interested in making offers for the
development of the leases and that they should have an ade-
quate time to place before the provisional liquidators a
considered offer. The provisional liquidators were in a
dilemma as the present plaintiffs had informed them that
unless the proposed agreement was signed by 2.00 p.m. on

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1.

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that day the present plaintiffs would withdraw from the negotiations.

The proposed contract was expressed to be subject to the approval of the Court. In refusing to make the orders sought by Mr. Lynch I indicated that, when approval was sought to the agreement, one of the matters which no doubt would be considered relevant was the likelihood of any other company making a better offer. I said that I thought other interested parties should be pursued despite the execution of the agreement. On that basis the provisional liquidators executed the agreement in accordance with the ultimatum of the present plaintiffs. 10

Subsequently the provisional liquidators made application to me for directions as to whether they should ascertain the intentions of the other interested parties by forwarding to them invitations to tender. When the application was made Counsel for Mr. Lynch asked leave to intervene in the application. I indicated that perhaps I had no power to make such an order, but the solicitor for the provisional liquidators said that he was prepared to amend the summons by adding Mr. Lynch as a respondent. 20

After hearing the evidence I suggested that the directions sought were really matters of commercial judgment and that the Court was not the proper party to resolve the questions. Counsel for Mr. Lynch and the solicitor for the provisional liquidators then conferred on the matter and reached an agreement on the manner in which the other interested parties should be approached to ascertain whether they would put forward a better proposition than that contained in the agreement with the present plaintiffs. I directed the applicants that they were justified in reaching that agreement and in conducting the negotiations in accordance with its terms. It is that activity which the plaintiffs seek to restrain. 30

2.

The agreement between the plaintiffs and the two defendant companies is called a joint venture agreement. The purpose is the development of the mineral deposits in the Lion Town area jointly owned by the defendant companies. The agreement provides that the respective interests of the various parties, unless and until varied in accordance with the terms of the agreement, are as follows:

Laverton Nickel N.L.	20%	10
Nickel Mines Limited	20%	
First plaintiff	36%	
Second plaintiff	18%	
Third plaintiff	6%	

The details of the agreement are complex but it provides for substantial expenditures by the plaintiffs and for their achievement of the above percentage interest in the mining titles and in all minerals derived by the parties and all other plant, machinery, tools etc. Cl. 3.1.2 is as follows:

- "This agreement is conditional on the following: 20
- 3.1.2.1 The approval of the Reserve Bank of Australia
 - 3.1.2.2 The Treasurer not making an order under Pt. 11 of the Foreign Takeovers Act, 1975.
 - 3.1.2.3 The approvals or consents of the Equity Division of the Supreme Court of New South Wales
 - 3.1.2.4 The approval or consent of the Honourable the Minister for Mines and Energy in the State of Queensland. "

If those consents were not forthcoming or if the Treasurer made such an order within twelve months, the agreement was to cease to have force or effect but payments made pursuant to cl. 5.4 were to remain the property of the two defendant companies. Cl. 3.1.2.5 includes, inter alia, covenants by the two defendant companies that they will make all applications for approval as soon as practicable, but not 30

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later than two months after the date of the agreement, which is 3 November 1978.

Despite the terms of the summons and the terms of the agreement, the plaintiffs now submit that the Court has no jurisdiction to grant approval of the agreement and that it is binding on the defendant companies without such approval. The basis upon which this proposition rests is that the provisional liquidators having been given an unrestricted right to carry on the businesses of the respective companies, the Court cannot control the performance of the contract once it has been executed. The only relevant power is to determine whether the provisional liquidators would be justified in entering into such an agreement. Once it is entered into the only power of the Court is to say whether it is valid or invalid. 10

This submission is inconsistent with the decision of Sir Nigel Bowen when Chief Judge in Equity In Re Codisco Pty. Limited (1974) Australian Company Law Cases s. 40126. In that case his Honour gave approval under s. 236 (3) to a contract which had been entered into by a provisional liquidator. It is true, as Mr. Meagher for the plaintiff submitted, that the point argued by him does not appear to have been raised in that case. However, the judgment is a closely reasoned one, as one would expect, and the fact that his Honour gave extensive consideration to the Court's powers under s. 236 (3) fortifies me in the conclusion I have reached, that the plaintiffs' submission on this point should be rejected. There is no express limitation in s. 236 (3) and I do not see any reason why I should imply one. 20

A question arose as to the application of s. 236 (3) in any event. The powers granted to the provisional liquidators to carry on the respective businesses of the defendant companies were not restricted to the exercise of such 30

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a power "so far as is necessary for the beneficial winding up" of the companies (s. 236 (1)(a)). It was an unlimited power. Accordingly, it is suggested that s. 236 (3) cannot apply. When it was suggested that s. 237 (3) would apply, Mr. Meagher submitted that that provision related only to the powers and duties of a liquidator other than a provisional liquidator.

If the true analysis is that in entering into the agreement the provisional liquidators were exercising only their respective powers to carry on the businesses of the defendant companies, it would seem that s. 236 (3) would not apply, as the power is not one "conferred by this section." I think there is much to be said for the proposition that in entering into the agreement the provisional liquidators were exercising, in part at least, the power contained in s. 236 (2) (c), that is, to sell the real and personal property of the company. It would seem that part of the interests of the defendant companies in the mining titles, the plant and equipment and so on, is being sold by virtue of this agreement.

However, even if that be not so, it is not I think correct to say that where a section of the Companies Act refers simply to a liquidator, it necessarily excludes its application to a provisional liquidator. A provisional liquidator, after all, is a liquidator appointed provisionally - s. 231A(2). In *In Re A.B.C. Engineering Co. Limited* (No. 3) (1970) 1 W.L.R. 702 at 715, Plowman J. said that:

"The word 'provisional' in this context seems to me to imply a qualification not of the liquidator's powers but of the tenure of his office. He is a liquidator but his appointment is temporary."

It follows, in my opinion, that where the Act refers to a liquidator, one has to consider the terms of the particular provision to see whether they apply only to a liquidator

appointed either by the Court in a winding up order, or by the contributories in a voluntary winding up, or to such a liquidator and to a provisional liquidator, or thirdly to a provisional liquidator only.

In some cases the provision is reasonably plain; for example, where a provisional liquidator is specifically referred to, such as in s. 232 (2), or where it is clear that a provisional liquidator is not included, such as in s. 232 (3). 10
In other cases, in my opinion, the reference to a liquidator is to be construed as including a provisional liquidator, unless the context shows that that is not a proper construction. Provisions which would, in my opinion, apply to a provisional liquidator would include s. 277A, s. 231, s. 232 (6) (7) and (8), s. 236 where the Court has granted powers under that section, and s. 238. Provisions which would not include a provisional liquidator would be s. 232 (3) (3A) (4) or (5), s. 234 (1) and s. 235. The question is whether s. 237 (3) would so apply. The reason why it is submitted that it does not apply, 20
apart from the fact that the word "liquidator" is used, is that the phrase "matter arising under the winding up" appears in the sub section. A provisional liquidator cannot be appointed unless a petition for the winding up of the company has been filed. If a winding up order is finally made the winding up commences upon the filing of the petition. It is not, I think, straining language to say that the actions of the provisional liquidator are actions in the winding up of the company.

For these reasons, whether the power being exercised by the provisional liquidators in entering into the agreement 30
is the power under s. 236 (2)(c) or the power to carry on the business of the respective companies given under s. 231A (2), or a combination of both, I think the provisional liquidators have the power to apply to the Court and the Court

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has the power to control the exercise of the provisional liquidator's powers or to give directions in the matter, as the case may be.

In the latter case I see no reason why the Court, on the application of the provisional liquidators, should not, in the case of a contract expressed to be conditional on the Court's approval, express its views as to whether the contract should be carried into effect by the provisional liquidators.

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Finally, it was submitted by the plaintiffs that the obligation of the provisional liquidators was to proceed to have the approval of the Court granted and that the proposed actions of the provisional liquidators in seeking tenders from other interested parties was in direct conflict with that obligation. Once it is accepted that the agreement is conditional on the Court's approval, it cannot, I think, be held that actions taken by the provisional liquidators in accordance with the directions of the Court could be in conflict with their obligations under the agreement.

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For these reasons I think the application of the plaintiffs should be dismissed, and it follows that the plaintiffs should pay the defendants' costs. The order I make is that the summons is dismissed with costs. Exhibits may be returned.

I certify that this and the 6 preceding pages are a true copy of the reasons for judgment herein of his Honour Mr. Justice Needham.

B. Turner
ASSOCIATE.

Date: 8/12/78

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7.

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978.

IN THE MATTER of
LAVERTON NICKEL
N.L.

AND IN THE MATTER
of the Companies
Act, 1961.

SUMMONS

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000
DX 834.

Phone: 221.1300

LET ALL PARTIES CONCERNED attend before His Honour Mr. Justice Needham, Court 8b, Level 8, Supreme Court, Queen's Square, Sydney on Monday, 5th February, 1979 at 10.00 o'clock in the forenoon or so soon thereafter as Counsel can be heard on the hearing of an Application by WILLIAM 10
JAMES HAMILTON the Provisional Liquidator of LAVERTON NICKEL N.L. (hereinafter called "the Company") for the following directions -

1. The parties who shall be joined as Respondents to this Summons.
2. That the Applicant, as Provisional Liquidator of the Company was justified in entering into an Agreement dated 3rd November, 1978 made between 20
Laverton Nickel N.L. (Provisional Liquidator Appointed), Nickel Mines Limited (Provisional Liquidator Appointed), Newmont Proprietary Limited, ICI Australia Limited and H.C. Sleight Resources Limited and is justified in implementing the same and that the said Agreement is approved by the Court.

DATED the 21st day of December, 1978. 30

Registrar, Equity Division.

This Summons was taken out by Peter Andrew Somerset of C/- P.A. Somerset & Co., Solicitors, 167 Macquarie Street, Sydney, Solicitor for the Provisional Liquidator of Laverton Nickel N.L.

NOTE: It is not intended to serve this Summons.

THIS IS THE ANNEXURE MARKED "K" REFERRED TO IN THE AFFIDAVIT OF Adrian Leonard Bellemore SWORN BEFORE ME AT Sydney THIS 28 JUN 1979 I.C. Thompson. A Solicitor of the Supreme Court of New South Wales

Exhibit "S" - Copy Summons
341. No. 2112 of 1978

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2371 of 1978

IN THE MATTER of
NICKEL MINES
LIMITED

AND IN THE MATTER
of the Companies
Act, 1961.

SUMMONS

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000
DX 834

Phone: 221.1300

LET ALL PARTIES CONCERNED attend before His Honour Mr. Justice Needham, Court 8b, Level 8, Supreme Court, Queen's Square, Sydney on Monday, 5th February, 1979 at 10.00 o'clock in the forenoon or so soon thereafter as Counsel can be heard on the hearing of an Application by LAURENCE BRIAN HUNTER the Provisional Liquidator of Nickel Mines Limited (hereinafter called "the Company") for the following directions -

1. The parties who shall be joined as Respondents to this Summons.
2. That the Applicant, as Provisional Liquidator of the Company was justified in entering into an Agreement dated 3rd November, 1978 made between Laverton Nickel N.L. (Provisional Liquidator Appointed), Nickel Mines Limited (Provisional Liquidator Appointed), Newmont Proprietary Limited, ICI Australia Limited and H.C. Sleigh Resources Limited and is justified in implementing the same and that the said Agreement is approved by the Court.

DATED the 21st day of December 1978.

Registrar, Equity Division

This Summons was taken out by Peter Andrew Somerset of C/- P.A. Somerset & Co., Solicitors, 167 Macquarie Street, Sydney, Solicitor for the Provisional Liquidator of Nickel Mines Limited.

NOTE: It is not intended to serve this Summons.

P. A. SOMERSET & Co.

Solicitors

OUR REF: PAS

YOUR REF: ALB:SM

167 MACQUARIE STREET,
SYDNEY, 2000
TEL. 221 1300
D.X. 834 SYDNEY

22nd December, 1978.

Messrs. Colin Biggers & Paisley,
Solicitors,
DX 280,
SYDNEY.

Dear Sirs,

Re: Laverton Nickel N.L. - Nickel Mines Limited -
Newmont Proprietary Limited & Ors.

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We wish to advise you that pursuant to leave granted by His Honour Mr. Justice Needham on 21st December Summonses have been filed returnable before him on 5th February, 1979 seeking the following directions -

1. The parties who shall be joined as Respondents to this Summons.
2. That the Applicant, as Provisional Liquidator of the Company was justified in entering into an Agreement dated 3rd November, 1978 made between Laverton Nickel N.L. (Provisional Liquidator Appointed), Nickel Mines Limited (Provisional Liquidator Appointed), Newmont Proprietary Limited, ICI Australia Limited and H.C. Sleigh Resources Limited and is justified in implementing the same and that the said Agreement is approved by the Court.

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The Summonses at present are ex parte. It has been intimated to the Judge that on 5th February next we will be seeking directions as per 1 above and a date for hearing.

Yours faithfully,

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P.A. SOMERSET & CO.

Exhibit "T" - Letter to
Plaintiffs' Solicitors,
22 December, 1978

P. A. SOMERSET & Co.

Solicitors

OUR REF: PAS

YOUR REF: ALB:SM

167 MACQUARIE STREET,
SYDNEY, 2000
TEL 221 1300
D.X. 834 SYDNEY

*filed
1/4/79
A.S.*

30th January, 1979.

Messrs. Colin Biggers & Paisley,
Solicitors,
DX 280,
SYDNEY.

Dear Sirs,

Re: Laverton Nickel N.L. - Nickel Mines Limited

We refer to your letter of 25th January.

10

The matter will be stood over on 5th February. At the present time we do not consent to your client being joined.

Yours faithfully,



P.A. SOMERSET & CO.

COLIN BIGGERS & PAISLEY

SOLICITORS
KINDERSLEY HOUSE

TELEPHONES 221 2022

CABLES & TELEGRAMS
"BIGPAIS" SYDNEY

BRANCH OFFICE
SUITE 5.46 LANGSTON PLACE, EPPING 2121
TELEPHONE 86 2273 86 4238

CONSULTANT TO THE FIRM

COLIN BIGGERS A.A.S.A.

PARTNERS

ROBERT L. PAISLEY LL.B.

JOHN B. POWE LL.B.

ADRIAN L. BELLEMORE LL.B.

DOUGLAS R. PAISLEY LL.B.

A. CHRISTOPHER RUMORE LL.B.

~~ASSOCIATES~~
GREGORY A. SKEHAN LL.B.

33 BLIGH STREET
SYDNEY 2000

DX 280 SYDNEY

OUR REF ALB:SM

YOUR REF

25th January, 1979.

Messrs.P.A. Somerset &. Co.,
Solicitors,
DX 834 SYDNEY.

Dear Sirs,

RE: LAVERTON NICKEL N.L. &. NICKEL MINES LIMITED.

We refer to our letter of the 21st December last and note that the writer has subsequently had the opportunity of conferring with Counsel in connection therewith.

It is our clients wish that it be joined as a Respondent to the Application for approval of the Agreement of the 3rd November, 1978.

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On the 5th February, 1979 it is intended that our clients will appear thereat by Counsel with a view to having our clients joined as Respondents to the Application for Approval. You might be kind enough to indicate that you will raise no objection to the application of our clients to be joined as Respondents.

Yours faithfully,
COLIN BIGGERS &. PAISLEY.

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RECEIVED
30 JAN 1979
P. A. SOMERSET & CO. A.L. BELLEMORE.

Exhibit "U" - Letter to
P.A. Somerset & Co.,
25 January, 1979

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION
NO. 2112 of 1978.
IN THE MATTER OF
LAVERTON NICKEL
N.L.

AND IN THE MATTER
of the Companies
Act, 1961

A F F I D A V I T

Deponent:

John Quinn

Sworn:

2nd February

COLIN BIGGERS &
PAISLEY,
Solicitors,
33 Bligh Street,
SYDNEY.N.S.W.2000.
Phone:221-2022
DX 280 SYDNEY.

On the 2nd day of February One thousand
nine hundred and seventy-nine I, JOHN QUINN
of 535 Bourke Street, Melbourne in the
State of Victoria, Business Manager being
duly sworn make oath and say as follows:-

1. I am the Business Manager for Newmont
Proprietary Limited one of the parties
to the Joint Venture Agreement made on
the 3rd November, One thousand nine
hundred and seventy-eight between
Laverton Nickel N.L. of the first part
and Nickel Mines Limited of the second
part and Newmont Proprietary Limited of
the third part and I.C.I. Australia
Limited of the fourth part and H.C.
Sleigh Resources Limited of the fifth
part.
2. The said Joint Venture Agreement re-
lates to the proposed exploration
evaluation and possible development of
mineral deposits discovered in the area
therein designated and known as the
Liontown Prospect.

John Quinn

Commissioner

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-2-

3. Newmont Proprietary Limited first became aware of the Liontown Prospect in 1972 as a result of press releases made at that time by Laverton Nickel N.L.
4. As a result of those press releases a geologist employed by Newmont Proprietary Limited (herein called "Newmont") contacted Mr. J.J. Lynch the Managing Director of Laverton Nickel and of Nickel Mines Limited which together were the co-owners of the property containing the Liontown Prospect. 10
5. It was intended at that time to undertake an assessment of the technical results available from prior work on the property by Laverton Nickel N.L. with a view to making a proposal to Laverton Nickel N.L. and Nickel Mines Limited on behalf of Newmont and an associated company Union Miniere Development and Mining Corporation Limited.
6. An offer was thereafter made verbally to the said Mr. Lynch by Mr. Sutherland an employee of Newmont and confirmed by letter of the 6th September, 1972. The proposal provided that Newmont and its co-venturer would each earn a one third interest and Laverton Nickel N.L. and Nickel Mines Limited would retain a one third interest in the venture. Newmont and its joint venturer were to finance a considerable amount of on-going exploration and assessment expenditures. 20

This offer was declined by the said Mr. Lynch. John Quinn

Commissioner

-3-

7. Subsequent to the offer contained in the letter of the 6th September, 1972 regular contact was maintained between Newmont and Mr. Lynch on behalf of Laverton Nickel N.L. and in addition to the contacts hereinafter referred to.
8. On the 11th July, 1975 Mr. G.W. Cochrane a geologist employed by Newmont met with Mr. Lynch at the office of Mr. Lynch at Burwood and discussed the possible exploration of the Liontown Prospect with him. 10
9. On the 2nd September, 1975 the said Mr. Cochrane and Mr. Russell the then Vice President (Exploration) of Newmont met with Mr. Lynch for the purposes of continuing the discussions held on the 11th July, 1975.
10. On the 27th October, 1975 the said Mr. Russell, Mr. R.J. Searle (the Company President of Newmont and the Vice President of the parent group) and Mr. P.J. Verwoerd and Mr. G.W. Cochrane (both of the latter employed by Newmont) visited the Liontown Prospect pursuant to arrangements made with Mr. Lynch for the purposes of inspecting the same and making investigations thereat. The said Mr. P.J. Verwoerd subsequently entered the employ of Shell Australia Limited as its Exploration Manager from early 1978. 20
11. On the 28th October, 1975 the said Mr. Searle^S and Mr. Cochrane met with Mr. Lynch for the purposes of discussing a possible venture arrangement.

12. On the 27th April, 1976 a formal joint venture offer in writing was made to the said Mr. Lynch which provided for Newmont to earn a 60% interest in the property by staged exploration expenditures of Two million dollars over a maximum 4½ year period. Annexed hereto and marked with the letter "A" is a copy of that written offer of the 27th April, 1976.

John Quinn

Commissioner

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-4-

13. On the 29th April, 1976 I met with Mr. Lynch at his Burwood Office for the purposes of discussing the terms of the offer proposed in our letter of the 27th April, 1976.
14. On either the 20th or the 21st May, 1976 I again met with Mr. Lynch for the purposes of continuing those discussions.
15. This offer was not responded to by the said Mr. Lynch and it subsequently lapsed.
16. On the 27th September, 1976 I telephoned Mr. Lynch to see if there was any progress in the possibility of an arrangement being come to and this was followed up by a similar telephone call on the 20th May, 1977.
17. On the 12th September, 1977 I again met with Mr. Lynch at his Burwood Office which was an exploratory meeting to see if there was any progress and whether a decision could be reached with respect to Newmont's proposals.
18. On the 28th November, 1977 I phoned Mr. Lynch and I was informed by his Office that he was away ill. I again

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phoned several times between that date and February, 1978 and was told on each occasion the same thing that he was away ill.

19. On the 24th May, 1978 I became aware pursuant to the terms of a press report of the appointment of Mr. Hamilton as Provisional Liquidator of Laverton Nickel N.L.

20. I thereafter contacted his Office by telephone with a view to determining the nature of his appointment and his intention with respect to the Liontown Prospect. 10

John Quinn

Commissioner

-5-

21. As a result of that telephone conversation an arrangement was made for me to meet Mr. Hamilton at his Office on Monday the 29th May, 1978.

22. On the 25th May, 1978 the said Mr. Lynch telephoned me and asked whether Newmont was still interested in the Liontown Prospect and whether we would be in a position to purchase from Nickel Mines Limited part of that Company's 50% interest in the Liontown Prospect. I told Mr. Lynch that we were still interested in the property and I arranged to meet him at his Offices in Burwood on Monday the 29th day of May, 1978 in the afternoon. 20

23. On the 29th May, 1978 I came to Sydney and met Mr. Hamilton in his Office and was told by him that he did not consider himself in a position to negotiate the disposal of any of the assets of Laverton Nickel N.L. until

his appointment had been re-confirmed at a hearing which was to take place as I understood it sometime in June, 1978.

24. He further told me that he was petitioning for the liquidation of Nickel Mines Limited and that he expected that a Provisional Liquidator would be appointed to that Company in June, 1978.
25. On the 29th May, 1978 I told Mr. Hamilton of my intention to see Mr. Lynch that afternoon. He said he doubted whether Lynch had the ability to deliver good title with respect to the interest of Nickel Mines Limited in the Liontown Prospect. At the request of Mr. Hamilton I then wrote to him a letter of the 29th May, 1978 a true copy whereof is hereunto annexed and marked with the letter "B". 10

John Quinn

Commissioner

-6-

26. In the afternoon of that day I met with the said Mr. Lynch and had a discussion with him. 20
27. Mr. Lynch said that he was interested at that time in making a quick deal for cash for part of the interest of Nickel Mines Limited in the Liontown Prospect. I told him the difficulties we saw in having part only of the 50% interest as it would not enable us to conduct any further activities in the area in a workable manner.

I told him that if we could reach satisfactory terms for a cash purchase it would have to be conditional upon his

ability to deliver good title as well as our capacity to negotiate a satisfactory joint venture arrangement with Nickel Mines Limited for the residual part of that Company's interest and with Laverton with respect to that part of the rest of the 50% holding in the Prospect.

Mr. Lynch told me that this was not satisfactory and our discussions were terminated.

28. I became aware on the 30th June, 1978 that Mr. Hamilton had been appointed Provisional Liquidator of Nickel Mines Limited. Thereafter I indicated to him that Newmont would like to take the opportunity of re-assaying some of the drill cores which were taken between 1970 and 1972 or thereabouts and undertook that any results of this check assaying would be made available to Mr. Hamilton. This request was confirmed in a telex to Mr. Hamilton on the 4th July, 1978 and a true copy thereof is hereunto annexed with the letter "C".

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John Quinn

Commissioner

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-7-

29. The agreement of Mr. Hamilton to this proposal was confirmed in the terms of his letter to me of the 4th July, 1978 and a true copy thereof is hereunto annexed and marked with the letter "D".

30. On the 11th July, 1978 a letter was forwarded to Mr. Hamilton by me on behalf of Newmont and H.C. Sleigh Resources Limited and I.C.I. Australia Limited suggesting an option arrangement with respect to the Lioontown

Prospect. Annexed hereto and marked with the letter "E" is a true copy of that letter.

31. On the 19th July, 1978 a meeting was held by me with Mr. Hamilton wherein the general parameters of the offer were discussed. During that conversation to the best of my recollection he advised me that his appointment as Provisional Liquidator of Nickel Mines Limited was under challenge and that as a result of that challenge being made he was unable to deal with the Liontown Prospect and that no deal on the property could be concluded until his appointment was either confirmed or alternatively another Provisional Liquidator was appointed in his place. Consequent upon those discussions I forwarded a telex on the 20th July, 1978 to Mr. Hamilton and forwarded a copy thereof to him by letter of that date. Annexed hereto and marked with the letters "F" and "G" are true copies of the said telex and letter. 10

32. Mr. Hamilton further advised me that he had a preference towards a joint venture arrangement wherein the shareholders would have a residual interest in whatever was discovered at Liontown rather than an option proposal wherein all that the Companies could expect would be a series of cash payments and an eventual exercise price. 20

John Quinn

Commissioner

-8-

33. On the 26th July, 1978 a joint venture proposal as an alternative to the earlier arrangement was submitted by letter to Mr. Hamilton and annexed hereto and marked with the letter "H" is a true copy of that offer and accompanying letter.
34. Further discussions were held with Mr. Hamilton in company with his Mining Engineer adviser a Mr. David Sault on the 3rd August, 1978 as a result of which the terms of the offer of the 26th July, 1978 were clarified in some respects and improved in others. 10
35. The major improvement related to the expenditure required of Newmont and its co-venturers in the first 3½ years of the joint venture with expenditures aggregating \$750,000.00.
36. On the 8th August, 1978 I wrote to Mr. Hamilton indicating a modification of the joint venture proposal in order to accommodate certain of the suggestions that he had made and a true copy of that letter is hereunto annexed and marked with the letter "I". 20
37. On or about the 28th August, 1978 Mr. Hamilton advised me that he had been replaced as Provisional Liquidator of Nickel Mines Limited by Mr. Hunter who had agreed with Mr. Hamilton that the latter should continue all negotiations with respect to the Liantown Prospect subject of course to Mr. Hunter's approval as to whether the terms negotiated by Mr. Hamilton were acceptable to Mr. Hunter.

38. Mr. Hamilton further told me that he had decided to hold a meeting of shareholders of Laverton with a view to seeking their views as to the desired course of disposal of the Liontown Prospect. He further told me that he proposed submitting at that meeting a resume of the joint venture offer made by Newmont of the 26th July, 1978.

John Quinn

Commissioner

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-9-

39. On the 6th September, 1978 I forwarded to Mr. Hamilton a resume of the proposal for the Farm-In on the Liontown Prospect contained in the letters of the 8th August and the 26th July, 1978 for use by him at the proposed shareholders meeting. Annexed hereto and marked with the letter "J" is a true copy of that letter and the enclosed resume.
40. On the 29th September, 1978 following the meeting of Mr. Hamilton with the shareholders of Laverton Nickel N.L. at which a committee of shareholders was appointed Mr. Hamilton wrote to Newmont a letter and a true copy of that letter is hereunto annexed and marked with the letter "K". Annexed hereto and marked with the letter "K2" is a copy of a following letter of the 9th October, 1978.
41. Following further discussions with Mr. Hamilton I arranged to meet with him and members of his Committee on the 12th October, 1978 which was attended by Mr. Hamilton, Mr. John Dent, Mr. David Sault and Mr. Spring. This meeting
355. Exhibit "V" - Affidavit of
John Quinn, 2 February 1979
- 20

continued to the 13th October, 1978 on which day the terms of a joint venture were agreed to and a letter of intent was drawn up and signed by myself on behalf of the Newmont headed consortium and by Mr. Hamilton on behalf of Laver-ton Nickel N.L. Annexed hereto and marked with the letter "L" is a true copy of that document.

42. Annexed hereto and marked with the letter "M" is a true copy of a letter of the 17th October, 1978 forwarded to Newmont by Mr. Hamilton and enclosing a copy of a letter from Mr. Hunter the Provisional Liquidator for Nickel Mines Limited. 10
43. On the basis of this correspondence I proceeded to draw up a Joint Venture Agreement and the first draft thereof was forwarded to Mr. Hamilton by Air Express on the 20th October, 1978. Subsequent copies were forwarded to him on the 23rd October, 1978 as I was told that the earlier set of documents had been mislaid.

John Quinn

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Commissioner

-10-

44. I had indicated to Mr. Hamilton previously that I was desirous of having the matter finalised before my departure for the United States of America on the 6th November, 1978. I thereafter attended meetings at the Office of Mr. Hamilton on the 25th October, 1978 to review the draft and to ascertain any comments on or objections

thereto from him or from Mr. Sault or from Mr. Peter Somerset the Solicitor for the Provisional Liquidators.

45. Further discussions were held on the document with Mr. Somerset and Mr. Sault and Mr. MacPherson representing Mr. Hunter on the afternoon of the 26th October, 1978. After a conversation that Mr. Hamilton had with Mr. Somerset by telephone I was advised that subsequent to the signing of the document on the 13th October, 1978 and unknown to me Mr. Hamilton had received at the instigation of Mr. Lynch approaches from the Shell Company of Australia Limited and Esso Australia Ltd. indicating the interest of each of them in bidding on the Liontown Prospect. I was told (I believe by Mr. Somerset) that Shell had advised Mr. Hamilton verbally that it proposed submitting an offer which on face value appeared to be better than the terms contained in the document of the 13th October, 1978.

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46. I said to Mr. Hamilton on that day:- "I believe that Shell and possibly Esso are in possession of a copy of the document that we signed on the 13th October or at least they are privy to the contents of that document in some detail and under the circumstances I believe the position of Newmont and its partners to be untenable. I will have to consider whether I should suspend further discussions until you are in a position to negotiate with one or more of the interested parties". John Quinn

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Commissioner

-11-

47. Mr. Hamilton said "I want to proceed with the finalisation of the document with Newmont and its partners on the understanding that I would require Shell and Esso to submit offers to me no later than mid-day on the 2nd November, 1978 and if any such offer is better than the one made by Newmont then Newmont will be given a right to match it". Annexed hereto and marked with the letter "M2" is a copy of a letter forwarded to me by Mr. Hamilton confirming our discussions. 10
48. On the 27th October, 1978 and as a result of the discussion previously referred to I proceeded with further discussions with Mr. Somerset and Mr. Sault and Mr. MacPherson with a view to finalising an acceptable Joint Venture Document.
49. Subsequently either on Friday the 27th October, 1978 or earlier in the following week Mr. Hamilton rang me and said "I have forwarded a letter to Esso and to Shell in substantially the same terms as the one that I forwarded to you on the 27th October and which details the procedures for the finalisation of bidding on the Liantown Prospect". 20
50. Mr. Hamilton further said in that conversation: "Shell are unwilling to tender a bid for the Liantown Prospect unless I undertake to accept and retain that bid in absolute confidence. In re-considering my position I

will have to rescind the undertakings that I gave to you in my letter of the 27th October to the extent that Newmont and its partners will have an opportunity to review in detail the terms and conditions of any competing offer with a view to matching them if they were better than the terms of the document that we signed on the 13th October".

John Quinn

Commissioner

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-12-

51. Annexed hereto and marked with the letters "N" and "O" are copies of two letters of Mr. P.A. Somerset enclosing copies of the second draft of the Agreement as well as copies of the final draft of the proposed Joint Venture Agreement.
52. On the afternoon of Thursday the 2nd November, 1978 Mr. Hamilton telephoned me and said "An offer has been received from Shell and I have received an indication that an offer will be coming from Esso and the likely nature of the substantive terms of Esso's offer. Having regard to the terms of the Shell offer I am able to complete a Joint Venture Agreement with Newmont and its partners".
53. On the afternoon of Thursday the 2nd November, 1978 I telephoned Mr. Hamilton and said: "Newmont and its partners might be willing to make further modifications to the proposal but only if we are treated equitably with Shell that is that the terms of our transaction would not be

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released to other parties and further that if such amended terms from Newmont are acceptable to you you will agree to sign a document incorporating those terms but substantially in the same form as the document that we have finalised with Mr. Somerset".

54. I indicated to Mr. Hamilton the general nature of the amended terms and said "you might be good enough to consider them and I will telephone you tomorrow to confirm that 10 that was a firm offer conditional upon the execution of Contracts tomorrow afternoon".
55. At 9.a.m. on the 3rd November, 1978 I telephoned Mr. Hamilton and confirmed the terms that I had discussed with him on the preceding afternoon. He told me that those terms were acceptable to him and I then had the Contract documents amended accordingly and arranged to meet Mr. Hamilton Mr. Hunter and Mr. Somerset in the Office of Mr. Hamilton that afternoon for the purposes of signing the Joint Venture Agreement. 20

John Quinn

Commissioner

-13-

56. Approximately 30 minutes later Mr. Hamilton telephoned to say that Mr. Lynch was taking injunction proceedings to prevent his signing any Agreement with Newmont and others on that day. I told Mr. Hamilton that in light of his rescission of the 13th October letter of intent and the undertakings made in his October 27th letter and in

light of his apparent inability to retain the details of Newmont's offer in confidence and further as a result of the considerable expense and effort already made in good faith by Newmont in finalising the joint venture documentation we were not willing to hold our amended terms over nor did I feel that any such suggestion was reasonable as Shell had in fact submitted a tender and Esso had already intimated the nature of its tender to Mr. Hamilton 10 verbally earlier in the week.

57. Esso holds various mining titles surrounding the Liontown Prospect and has done so for some period of time and in my opinion would have a good understanding of the regional geology. I was further aware from observation of documents in the Office of Mr. Lynch of the activities and interest of Esso in the area and that these were known to Mr. Lynch.

58. Notwithstanding the proposed proceedings for injunction I travelled to Sydney on the afternoon of the 3rd November 20 1978 with the completed documents and upon the return of Mr. Hamilton from Court he advised me of the Orders made. He thereupon telephoned Mr. Peter J. Verwoerd Exploration Manager for Shell to advise him that as a result of the unwillingness of Shell to change any terms of its offer which Mr. Hamilton had previously indicated to Shell were unacceptable and he had decided to sign with Newmont and its partners.

John Quinn

Commissioner

-14-

59. Mr. Hamilton thereafter telephoned a representative of Esso whose name I cannot remember and told him that on the basis of the verbal terms that Esso had disclosed to him earlier in the week as being the likely basis of its offer he proposed exchanging Contracts with Newmont and its partners that afternoon.
60. Contracts were then signed by Mr. Hamilton and by Mr. Hunter and which document is the subject of the application for approval returnable for the 5th February, 1979. 10
61. Before leaving the Office of Mr. Hamilton I told him, Mr. Hunter and Mr. Somerset that I would wish Newmont and its partners to be represented and joined as parties in any proceedings relating to the application for approval of the Equity Division of the Supreme Court to the Joint Venture Agreement. I recollect that Mr. Hamilton and Mr. Somerset undertook that Newmont and its partners would be so joined. 20
62. Thereafter on the 9th November, 1978 I caused to be forwarded to Mr. Somerset five copies of the Liantown Joint Venture Agreement plus two copies of the Third Schedule to the Agreement for stamping in New South Wales. Annexed hereto and marked with the letter "P" is a true copy of that letter.
63. On or about the 16th November, 1978 Newmont received from Mr. Somerset a letter of date the 13th November, 1978 and a true copy of that letter is hereunto annexed and

marked with the letter "Q". This was replied to by the terms of the letter of the 17th November, 1978 from Newmont and a true copy of that letter is hereunto annexed and marked with the letter "R".

John Quinn

Commissioner

-15-

64. I crave leave to refer to the terms of the Agreement of the 3rd November, 1978 and in particular to the provisions of clause 5.4 thereof. I say that it is unusual for payments at the level therein referred to and which are known as "front end payments" to be made to the owners as proposed by the terms of that clause. The payment of \$75,000.00 as proposed in clauses 5.4.1 and 5.4.2. was a payment agreed to be made by the Joint Venturers consequent upon discussions I had had with Mr. Hamilton wherein it was indicated by Mr. Hamilton that a substantial payment as proposed would assist the position of Laverton Nickel N.L. and Nickel Mines Limited and in particular would enhance the prospects of Laverton Nickel N.L. in the seeking of re-listing to the Stock Exchange. 10 20

SWORN by the Deponent
at Melbourne
Before me:-

)
)
) John Quinn
) -----
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Commissioner

A

27th April, 1976

Mr. J.J. Lynch,
Managing Director,
Laverton Nickel N.L.,
2 Railway Parade,
BURWOOD, 2134.

	RJS
	RTR
	JCQ
	PAJ
	AAM
	GWC
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	NEWMONT
	TELEPER
	INT. ISA
	DATE
	FILE

Dear Mr. Lynch,

re: Liantown Base Metal Prospect, Qld

1.95.3

You will be aware that Newmont has been interested in joining your Company in the further definition, development and exploitation of the Liantown mineral deposits since 1972. Since the inception of your interest, broad based discussions have been held with you, initially by Mr. W.D. Sutherland and later with Mr. G.W. Cochrane and Mr. R.J. Searls, our Managing Director. From a review of our files, it appears that no formal proposal has ever been put by Newmont to your Company for consideration.

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The purpose of this letter is twofold. Firstly, to re-iterate our strong desire to join with your Company in the development of the Liantown area and, secondly, to put to you a formal proposal which we consider could form the basis of a working relationship between our Companies. We do not in this letter propose to discuss technical details of the property, our proposed approach to the task of evaluation or the techniques and capacities of our group. In the five years that we have been discussing this property, we feel you will have had ample time to assess for yourself the nature of our people, our approach and capabilities. We therefore propose the following basis for a Joint Venture between our Companies.

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1. Newmont would undertake to earn a 60% undivided interest in the Liantown base metal prospect by staged expenditure of \$2 million over a maximum 4½ year period terminating no later than 31st December, 1980. The rate of disposition of the first \$2 million expenditure will depend upon availability of equipment and results. All things being equal, we would expect that the first \$2 million would be expended well within the maximum 4½ year period specified above.

...2

THIS IS THE ANNEXURE MARKED "A" REFERRED TO IN THE Affidavit OF John Quinn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979:

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Commissioner

Exhibit "V" - Annexure "A" to the Affidavit of John Quinn, 2 February 1979

-2-

The first stage of this programme would involve a minimum expenditure of \$125,000 over the initial six month period. The purpose of the \$2 million expenditure would be to establish a large tonnage ore reserve and provide the basic metallurgical and other data on which to base a final feasibility report.

2. After expenditure of \$2 million by Newmont, each of the parties would be required to contribute to the Venture pro rata. In the event that Laverton Nickel were unwilling or unable to contribute its proportion of funds required for further development programmes, Newmont would undertake to supply the additional funds necessary to meet the programme for the budget period under question and Laverton Nickel would accept the pro rata dilution of its interest for that budget period. Laverton would have the right to elect during each budget period prior to the completion of final feasibility studies to contribute or accept dilution. In the event that Laverton accepts dilution in any budget period and elects to contribute to a subsequent budget period, its interest would freeze at the diluted percentage level at the end of the last preceding budget period. For the purpose of calculating Laverton Nickel's percentage interest at any time, Laverton Nickel's expenditure would be its actual expenditure on the Venture after Newmont had expended the first \$2 million as aforesaid plus \$1,333,000 and to determine the percentage interest, this amount to be divided by the total actual expenditure on the area by both Newmont and Laverton plus \$1,333,000.
3. Notwithstanding the dilution provisions above, at no stage would Laverton Nickel's interest in the Venture dilute below 15%. On the assumption that Laverton Nickel's interest dilutes to 15%, Newmont would advance Laverton Nickel's pro rata share of ongoing expenditures after that point. Laverton Nickel would be required to repay such advances plus interest to Newmont only in the event that a cash flow is generated from commercial mining operations on the Liontown Leases. The amount of such repayment will be the cost to Newmont plus interest equivalent to commercial bank overdraft interest rates and be repaid to Newmont out of 75% of Laverton Nickel's share of such cash flows. With reference to the dilution formula, we would like to stress two points. Firstly, under this formula Newmont would be required to spend approximately \$7,500,000 to dilute Laverton Nickel to the 15% and, secondly, no repayment obligation would attach to Laverton Nickel in the event that mining operations were not commenced or were commenced and abandoned prior to the repayment of the advances. In order that you can assess the return to your Company under this proposal and dependent naturally on the size and grade of the prospective ore body and the capital and operating cost structure of the mine, under this arrangement your Company might

anticipate after tax earnings in the area of \$750,000 per annum during the repayment years and in excess of \$2 million per annum thereafter.

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-3-

4. In the event that Laverton Nickel sought to assign all or part of its interest in the proposed Joint Venture to a third party, Newmont would require the right of first refusal to acquire the interest being offered by Laverton Nickel on the same terms and conditions as that proposed by the third party and, in the event that Newmont did not exercise its right of first refusal, the incoming party would have to be acceptable to Newmont. Newmont would not unreasonably withhold approval of an assignment to a bona fide and appropriately financed third party. Laverton Nickel's rights in respect of financing by Newmont, covered in 3 above would not be assignable. 10
5. During the currency of any Joint Venture Agreement between our Companies, Newmont would undertake to maintain the Liantown Leases (believed to be 27 in number) in good standing and to meet all financial and reporting requirements of the Queensland Mines Department provided always that Newmont may elect to relinquish its interest in certain of the mineral leases from time to time without in any other respect impairing its interest in the residual leases or in the Joint Venture. Should Newmont so elect the leases concerned will revert to and become the sole property of Laverton Nickel. 20
6. Newmont would be Manager of the Joint Venture at all times during evaluation and operating stages. In its capacity as Manager, Newmont would be in charge of the day to day operations of the Joint Venture and would be responsible for the preparation and submission of feasibility reports, annual programmes and budgets to Laverton Nickel as well as monthly technical and financial reports. 30
7. The general management of the Joint Venture would be by way of an operating committee which would meet a minimum of twice annually and on which both parties would be represented. Both parties would be entitled to vote on all programmes and budgets in proportion to their respective interests in the Joint Venture from time to time. 40
8. Newmont would be entitled to withdraw from the Joint Venture only after the first stage expenditure of \$125,000. In the event of Newmont's withdrawal between the first stage and expenditure of \$2 million, Newmont would forfeit its interest in the Liantown property and would make available to Laverton Nickel all data developed by Newmont during the delineation stage.

Exhibit "V" - Annexure "A"
to the Affidavit of John
Quinn, 2 February 1979

9. Newmont would propose reimbursing Laverton Nickel for its mineral lease rentals for the current year out of the \$125,000 proposed for the first six month period.

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-4-

We would hope that you will give serious consideration to this proposal and feel free to discuss any aspects of it that require further illumination. We feel that this proposal gives your Company a concrete opportunity to evaluate the potential for a large scale mining operation in the Lioantown area at no cost to your group, with an undertaking on Newmont's part to advance funds if, as a result of circumstances beyond your Company's control, you might be unable to maintain your 40% equity position. It also guarantees your Company significant expertise in base metal evaluation and mining technology. We would hope that we could discuss this matter further with you.

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Yours sincerely,

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JCQ/gig

J.C. Quinn

B Liontown

Newmont Pty. Limited
535 Bourke Street
MELBOURNE 3000

29 May, 1978

W.J. Hamilton
Provisional Liquidator
Laverton Nickel Nl.
18th Floor,
No. 1 York Street
SYDNEY 2000

T.F.1.95.3
gen &
sect.

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Dear Sir,

I, John Charles Quinn, Business Manager for Newmont Pty. Limited of 535 Bourke Street, Melbourne, would like to make known to you, and confirm that arising from our discussions today concerning the Lion Town Mining Leases in which your Company has a 50% interest, that I have been contacted by Mr. J. Lynch with a view to his negotiating with me, the sale of part of the other 50% interest held by Nickel Mines Limited.

Mr. Lynch spoke to me by telephone at approximately 11.00 a.m. on Thursday 25 May, 1978 making enquiry as to Newmont's interest in such an acquisition. I subsequently contacted him at approximately 12.00 p.m. that day to confirm that we had such an interest, and arranged to see him on the afternoon of Monday 29th May, at 3.00 p.m. 20

Yours faithfully,
NEWMONT PTY. LIMITED

J.C. Quinn

J.C. QUINN

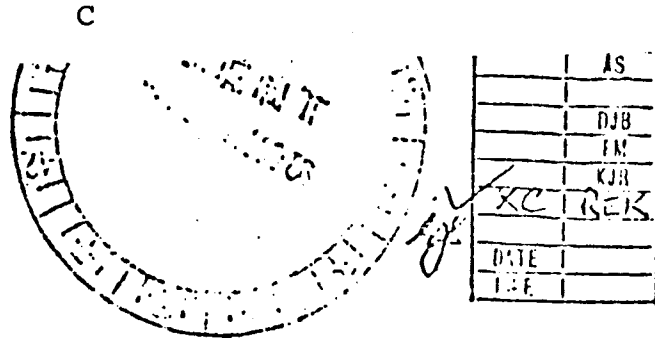
THIS IS THE ANNEXURE MARKED "B" REFERRED TO IN THE Affidavit OF John Quinn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979.: 30

Commissioner

368. Exhibit "V" - Annexure "B"
 to the Affidavit of John
 Quinn, 2 February 1979

GA
015
PGM Y MLB 015
AUSMONT AA32026

URGENT....W J HAMILTON,
HAMILTONS,
1 YORK STREET,
SYDNEY NSW



RE LAVERTON NICKEL NL/NICKEL MINES LIMITED STOP
THIS CABLE WILL RECORD NEWMONT'S INTEREST IN SUBMITTING A PRO-
POSAL TO YOU TO ACQUIRE OR ALTERNATIVELY TO EARN AN INTEREST
IN THE TWENTY-SIX MINERAL LEASES CONSTITUTING THE LIONTOWN BASE
METAL PROSPECTS SOUTH OF CHARTERS TOWERS IN QUEENSLAND STOP

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NEWMONT REQUESTS YOUR PERMISSION TO REVIEW THE DRILL CORES
OBTAINED FROM THE LIONTOWN PROSPECTS WHICH WE UNDERSTAND ARE
STORED AT 57 PLANT STREET, CHARTERS TOWERS, AND WHERE APPROPRIATE,
TO SPLIT THOSE CORES FOR THE PURPOSES OF OBTAINING A SECONDARY
CONFIRMATION ANALYSIS THEREFROM STOP SUBJECT TO YOUR CONSENT, IT
IS PROPOSED THAT NEWMONT GEOLOGISTS VISIT THE CORE STORAGE AREA
AT CHARTERS TOWERS COMMENCING MONDAY NEXT FOR THE PURPOSE OF
REASSESSING AND SAMPLING THE AFORESAID CORES STOP WE CONFIRM
THAT A SUFFICIENT CORE WILL BE LEFT AFTER NEWMONT SAMPLING FOR
OTHER INTERESTED PARTIES TO REVIEW AND A COPY OF THE ANALYTICAL
RESULTS WILL BE MADE AVAILABLE TO YOU AT NO COST FOLLOWING THIS
REVIEW STOP WE WOULD TRUST THAT YOU WOULD HOLD THESE RESULTS IN
CONFIDENCE WHILE YOU ARE DETERMINING THE ULTIMATE DISPOSITION
OF THE LIONTOWN LEASES STOP

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WE WOULD APPRECIATE YOUR CABLED CONCURRENCE WITH THIS PROPOSAL
TOGETHER WITH YOUR CONFIRMATION THAT A KEY TO THE CORE STORAGE
AREA WOULD BE AVAILABLE AT PLANT STREET, CHARTERS TOWERS ON
MONDAY NEXT STOP

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REGARDS,
QUINN, NEWMONTAUST
(HAMILTON 1 LAVERTON NICKEL MINES LIONTOWN 57 NEWMONTAUST)
THIS IS THE ANNEXURE MARKED "C" REFERRED TO IN THE Affidavit of
John Quinn BEFORE ME AT Melbourne THIS 2nd DAY OF January
February 1979.:

Commissioner -----

Exhibit "V" - Annexure "C"
to the Affidavit of John
Quinn, 2 February 1979

William J. Hamilton

HAMILTONS

chartered accountant

nsw 1 york street sydney . telephone 241 3831 . postal address box 1724 gpo sydney 2001 nsw . cde box 675
act 134 bunda street canberra . telephone 47 0972 . postal address box 1129 canberra city 2601 . cde box 7

4th July, 1978.

Mr John Quinn,
Newmont Pty Limited,
535 Bourke Street,
MELBOURNE. 3000,

Dear Sir,

Re: Laverton Nickel N.L., Nickel Mines Limited agreement

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when replying please quote
our ref DC:CAA
your ref _____

- original provided
to Neil Clark

- 1.95.3

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You have received our letter inviting various proposals to be put by persons interested in entering into a commitment to further explore and or develop the mining interests which are the property of the under mentioned companies.

You have cabled interest in Lion Town as being paramount and requested access to the cores presently at 57 Plant Street, Charters Towers for the purpose of sampling part of the cores by splitting them to further evaluate the potential of the mines. 20

You have confirmed that the results of your testing will be made available and that in splitting part of the cores, there will be ample material left over for others to do likewise.

In respect to this basis, I have no objection to you having samples to these cores. On this, kindly note the following:

1. You should contact Mr J. Tyler of Winchcombe Carson Limited, P.O. Box 166, Hermit Park, Townsville. 4812. Telephone (077) 793-966. 30
2. For the sake of good order a copy of this letter has been forwarded to Mr Tyler, but I suggest you should ring him giving advice of the flight No., date and time of arrival.
3. You may need to have evidence of my authority to act and accordingly, I attach a copy of the Court Orders by which I am appointed Provisional Liquidator of the abovementioned companies.

Yours faithfully,
LAVERTON NICKEL N.L., NICKEL MINES LIMITED

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W.J. Hamilton
W.J. HAMILTON
Provisional Liquidator

THIS IS THE ANNEXURE MARKED "D" REFERRED TO IN THE Affidavit OF John Quinn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979.:

Commissioner

Exhibit "V" - Annexure "D"
to the Affidavit of John
Quinn, 2 February 1979

A. Murgitroyd
22 MAY 1978

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

THE COURT ORDERS that -

2112 of 1978

IN THE MATTER of

LAVERTON NICKEL N.L.

AND IN THE MATTER of
the Companies Act,
1961.

1. William James Hamilton of 1 York Street, Sydney, be appointed Provisional Liquidator of the Company.

2. The Provisional Liquidator be at liberty to carry on the business of the Company.

3. The Provisional Liquidator shall have and exercise the powers and authorities conferred by Section 236(2) (a) to (j) inclusive of the Act.

4. The Summons be stood over to the hearing of the Petition.

5. The Company be at liberty to move for variation and revocation of these orders on 2 days notice to the Applicant Francis John Walker the Attorney General in and for the State of New South Wales.

O R D E R

JOHN M. SWAN Esq.,
Solicitor,
7th Floor,
175 Castlereagh
Street,
Sydney, 2000.

ORDERED 22 May, 1978 AND ENTERED 22 MAY
1978

By the Court

A.G. Nevill (L.S.)
ACTING REGISTRAR IN EQUITY

NOTE: It will be the duty of such of the persons who are liable to make out or to concur in making out a statement of affairs as the Provisional Liquidator may require to attend on the Provisional Liquidator at such time and place as the Provisional Liquidator may appoint and give him all information he may require.

Exhibit "V" - Annexure "D"
to the Affidavit of John
Quinn, 2 February 1979

OFFICE COPY
A.M.
Chief Clerk in Equity
Date 30 June 1978

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

THE COURT ORDERS that -

2371 of 1978

IN THE MATTER of
NICKEL MINES
LIMITED

AND IN THE MATTER of
the Companies Act,
1961.

O R D E R

Dibbs Crowther &
Osborne,
Solicitors,
16 Barrack St.,
SYDNEY DX 101

1. William James Hamilton, 1 York St.,
Sydney, be appointed Provisional Liquidator
of the Company.

2. The Provisional Liquidator be at
liberty to carry on the business of the
Company.

3. The Provisional Liquidator shall have
and exercise the powers and authorities
conferred by Section 236(2) (a) to (j)
inclusive of the Act.

4. The Company be at liberty to apply on
2 days notice for modification or dis-
charge of this order.

5. The Summon be stood over to 21 July
1978 before the Master Equity Division.
ORDERED 29 June, 1978 AND ENTERED 30 JUN
1978

By the Court

A.G. NEVILL (L.S.)
REGISTRAR IN EQUITY

RECEIVED 4 JUL 1978

NOTE: It will be the duty of such of the
persons who are liable to make out or to
concur in making out a statement of
affairs as the Provisional Liquidator may
require to attend on the Provisional
Liquidator at such time and place as the
Provisional Liquidator may appoint and
give him all information he may require.

Exhibit "V" - Annexure "D"
to the Affidavit of John
Quinn, 2 February 1979

E

July 11, 1978

Mr. W.J. Hamilton,
Chartered Accountant,
Hamiltons,
1 York Street,
SYDNEY. N.S.W. 2000.

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 11 1978	
FBI - SYDNEY	
XC REK	
DATE	

Dear Mr. Hamilton,

Re: Laverton Nickel N.L./Nickel Mines Ltd.
Liontown Prospect

*XC -> HC SLEIGH
1978 ICI
1.95.3
Agreement*

10

This letter will confirm Newmont's expression of interest in negotiating for the acquisition of Mining Lease Nos. 317 and 320-345 inclusive situated south of Charters Towers, Queensland. The offer set down later in this letter is made by Newmont on behalf of a group comprising H.C. Sleigh Resources Ltd. (20%), ICI Australia Limited (30%) and Newmont Proprietary Limited (50%), which includes a beneficial Australian equity of 32 per cent.

Newmont's interest in the Liontown area was first raised in August 1972 as a result of published data from Laverton Nickel N.L. As a result, our geologists approached that Company's Board with a view to visiting the area and assessing the geology and results of the drilling conducted by the Laverton/Nickel Mines Joint Venture. Following this initial review, a farm-in proposal was put to Laverton and was declined.

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Since that time, Newmont has kept in contact with Laverton's Board and has, on several occasions, either discussed the possibility of Newmont farming-into the Liontown property or submitted formal proposals to that effect. All such proposals were rejected either directly or by implication.

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Over the same period, metal prices have slumped in a recession from which no early end is generally predicted. At the same time, inflation rates in Australia have escalated the cost of mine development at a very rapid rate. As a result, while Newmont is still interested in the Liontown area, it is our assessment that the property's current and potential value has declined over that period.

THIS IS THE ANNEXURE MARKED "E" REFERRED TO IN THE Affidavit OF John Quinn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979.:

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Commissioner

Exhibit "V" - Annexure "E"
to the Affidavit of John
Quinn, 2 February 1979

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Newmont considers that Liontown is an interesting base metal prospect, moderately well located with respect to existing infrastructure, but requiring a very substantial amount of additional exploration before ore reserves could be established and feasibility studies undertaken. At the present stage, little drilling has been done below 100 metres and, only if future drilling can demonstrate both an increase in grade and intersected thickness and length of the mineralisation below 100 metres could a mine development be contemplated. We anticipate, therefore, that it might take a minimum of 5-7 years to explore, assess and, if warranted, construct mine facilities with a further 4-6 years to the point when the project has returned capital investment from mine cash flows. This chronology is based upon the experience and forecasts of Jododex/C.R.A. with the Woodlawn Deposit situated at Tarago (near Canberra) in New South Wales. While Woodlawn will initially be an open pit mine, any mine at Liontown will be a more costly and time consuming underground development. (A copy of notes on Woodlawn is attached). You might be interested to know that Woodlawn's ore reserves are 6.3 million tonnes grading 1.7% copper, 5.5% lead, 14.4% zinc, 89 grammes/tonne silver, with a further 3.7 million tonnes assaying 1.9% copper.

By way of comparison based on earlier evaluations by Newmont (copies of which were provided to the Laverton Nickel management), the Liontown drill indicated and inferred "reserves" were calculated at:-

Eastern Lode: 1.093 million tonnes; 0.41% Cu, 2.39% Pb, 7.01% Zn and 2.25 ozs. Ag/tonne.

Western Lode: 0.141 million tonnes; 1.23% Cu, 0.34% Pb, 4.68% Zn and 1.19 ozs. Ag/tonne.

Only 548,000 tonnes of the Eastern Lode "reserve" can be categorised as drill indicated, the remainder is inferred and will require quantifying by further drilling, likewise, in the small Western Lode, 56,000 tonnes of the 141,000 tonne "reserve" is inferred. The grades in both Eastern and Western lodes are subeconomic on the basis of today's metal prices, and considerable improvement must take place at depth below both lodes if the deposit is to become viable, now or in the short term future.

The Newmont group wishes to conduct further exploration at Liontown to test for the possibilities of improvement of the lodes at depth if a suitable arrangement can be made. We feel that in light of Laverton and Nickel Mines current circumstances, the risks involved in exploration and the relatively long lead time which is inherent in developing a mine, should Exhibit "V" - Annexure "E" to the Affidavit of John

an economic ore body be delineated, that the simplest and most suitable type of arrangement would be an option to purchase 100% of the interest in the Leases. Newmont would be willing to write such an option immediately based on the following general parameters:-

- (a) (i) Initial Payment - 12 months - \$40,000 cash
- (ii) 1st Extension - 12 months - \$60,000 " 10

-3-

- (iii) 2nd Extension - 12 months - \$100,000 cash.
- (b) Exercise Price - \$500,000 payable no later than 14 days from end of 2nd Extension.

As you are aware, our geologists are re-assessing and re-sampling the cores from previous drilling during the current week. Dependant on the outcome of this work, some variation in the aforesaid terms may be warranted.

You have previously mentioned the possibility of joint venturing the further work at Liontown. Newmont does not favour such an arrangement, but we do not rule it out completely. Joint Ventures are most complex arrangements and if you wish to pursue this course, we would recommend detailed discussions with you before any formal offer is submitted. 20

In closing let me stress that whatever form of arrangement is chosen to enable further work to be conducted at Liontown, the likelihood of successful exploration and development will largely depend on the technical expertise, tenacity and financial standing of the organisations conducting the work. Newmont, as manager of the Newmont:Sleigh:ICI group, offers considerable advantages in this area. Newmont has a highly qualified and well regarded staff of geologists, geophysicists and engineers with current experience in mine development in Australia. Our unique E.M.P. technology which has been very successful in the short period that it has been available in this country, may be a particularly important cost effective tool in exploration for deep ore shoots at Liontown. Our U.S. parent has a well established and competent metallurgical research group whose skills may be particularly relevant to the successful exploitation of complex ores from the Liontown area and, of course, we have access to mining experience from the group's many mining operations around the world. A copy of the most recent Annual Report of the Newmont Mining Corporation group is enclosed and will give an indication of the financial standing of the Company. 30 40

Exhibit "V" - Annexure "E"
to the Affidavit of John
Quinn, 2 February 1979

Australia Limited will be well known to you.

From your viewpoint as Provisional Liquidator of
Laverton Nickel and Nickel Mines, your choice of operator for
the further work will be as important as the contractual terms.

We look forward to your comments in due course.

Sincerely,

J.C. Quinn.

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JCQ:JP
Enc.

376. Exhibit "V" - Annexure "E"
to the Affidavit of John
Quinn, 2 February 1979

AS YOU ARE AWARE, THE BENEFICIAL OWNERSHIP OF THE MINING TITLES INVOLVED IS BY VIRTUE OF A JOINT VENTURE AGREEMENT BETWEEN LAVERTON NICKEL N.L. AND NICKEL MINES LIMITED. I HAVE SIGHTED THIS AGREEMENT AND CONSIDER THAT IT LEAVES A GREAT DEAL TO BE DESIRED WITH REGARD TO THE RESPECTIVE RIGHTS, TITLES, INTERESTS AND OBLIGATIONS IN RELATION TO THE ONGOING ASSESSMENT AND POSSIBLE SUBSEQUENT DEVELOPMENT OF THE MINING TITLES.

10

I AM ADVISED THAT AN ACTION HAS BEEN COMMENCED WHICH, IF SUCCESSFUL, COULD HAVE THE RESULT OF REMOVING YOU FROM YOUR POSITION AS PROVISIONAL LIQUIDATOR OF NICKEL MINES AND THE APPOINTMENT OF ANOTHER PERSON TO ACT IN THAT CAPACITY. I HAVE EXPRESSED CONCERN TO YOU WHICH I REITERATE HEREIN THAT SUCH AN ACTION WOULD SEVERELY COMPLICATE AND MAY ULTIMATELY JEOPARDISE NEWMONT'S INTEREST IN THE MINING TITLES. THIS SITUATION RESULTS FROM THE FACT THAT NEWMONT WOULD BE REQUIRED TO SPEND CONSIDERABLE SUMS OF MONEY IN EXPLORATION OF THE MINING TITLES IF IT WAS TO FULLY ASSESS THEIR MINERAL POTENTIAL. IT IS CLEAR THAT SUCH EXPENDITURE COULD ONLY BE CONTEMPLATED IF NEWMONT WERE ABLE TO MAKE CLEAR AND BINDING CONTRACTUAL ARRANGEMENTS RELATING TO THE OWNERSHIP OF 100 PER CENT OF THE TITLES INVOLVED.

20

DUE TO THE SOMEWHAT OBSCURE NATURE OF CURRENT ARRANGEMENTS BETWEEN LAVERTON NICKEL AND NICKEL MINES, IT DOES NOT APPEAR FEASIBLE FOR NEWMONT TO NEGOTIATE INDEPENDENTLY WITH THE PROVISIONAL LIQUIDATOR OF LAVERTON NICKEL WITH RESPECT TO 50 PER CENT OWNERSHIP OF THE TITLES AND INDEPENDENTLY WITH ANOTHER PROVISIONAL LIQUIDATOR OF NICKEL MINES LIMITED FOR THE OTHER 50 PER CENT.

IT FOLLOWS THEREFORE, THAT NEWMONT IS STRONGLY OF THE OPINION THAT IN ITS INTERESTS AS A POTENTIAL PURCHASER OF THE MINING TITLES, AS WELL AS IN THE INTERESTS OF REACHING EARLY FINALITY OF AN ARRANGEMENT, THAT ONE PERSON BE APPOINTED WITH AUTHORITY TO ACT FOR AND BIND BOTH LAVERTON NICKEL AND NICKEL MINES WITH RESPECT TO THESE MINING TITLES.

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Exhibit "V" - Annexure "F"
to the Affidavit of John
Quinn, 2 February 1979

WOULD YOU PLEASE KEEP US ADVISED OF THE OUTCOME OF THE CURRENT
COURT ACTION IN ORDER THAT WE CAN EITHER RE-AFFIRM THE OFFERS
MADE TO YOU AS PROVISIONAL LIQUIDATOR OF LAVERTON NICKEL AND
NICKEL MINES LIMITED OR RECONSIDER THE SAME IF YOUR APPOINTMENT
TO NICKEL MINES LIMITED IS REVOKED.

.... JOHN C. QUINN,
BUSINESS MANAGER,
NEWMONT PROPRIETARY LIMITED,
MELBOURNE.

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379. Exhibit "V" - Annexure "F"
to the Affidavit of John
Quinn, 2 February 1979

NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

July 26, 1978

Mr. W. Hamilton,
Provisional Liquidator,
Laverton Nickel N.L./Nickel Mines Limited,
C/- Hamiltons,
1 York Street,
SYDNEY, N.S.W. 2000.

Dear Mr. Hamilton,

Re: Liantown Prospect, Charters Towers

In accordance with my undertaking to you I am providing herein terms by which Newmont (on behalf of H.C. Sleight Resources, ICI Australia and itself) would be willing to proceed with an evaluation and possible development and exploitation of the captioned prospect in joint venture with Laverton Nickel N.L. and Nickel Mines Limited.

10

I should explain that I have delayed the preparation of this offer to enable the preliminary consideration of the results of the re-sampling work on the Charters Towers cores and to discuss the various aspects of this proposal with this company's Directors and our associates.

20

The preliminary assay results from the re-sampling of drill cores are now to hand. These results are generally lower than assays reported by Laverton/Nickel Mines and in particular have significantly downgraded the potential for important gold and tin credits which we hoped may have improved the economic potential shown by the earlier drilling.

In the Eastern Lode previous assaying showed an average grade of 0.13 oz Au/tonne compared with our re-assaying of 0.067 oz Au/tonne. Tin was not assayed in the past and is reported at an insignificant grade of 0.0004% in our re-assaying. In the Western Lode, previous gold analyses averaged 0.17 oz Au/tonne compared with the re-assaying average grade of 0.068 oz Au/tonne. Tin was reported again in trace amounts only at a grade of 0.0007%. Further assaying using another analytical technique is now in train to provide accurate analysis for the other metals. On receipt of these results we will recompute the "reserve" estimates but do not expect any upgrading of overall metal content.

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...2/

THIS IS THE ANNEXURE MARKED H REFERRED TO IN THE Affidavit of John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979:

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Commissioner

Exhibit "V" - Annexure "H"
to the Affidavit of John
Quinn, 2 February 1979

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In the light of these results, which confirm our earlier cautious perspective of this prospect, we would now be prepared to proceed with the exploration of the Liontown area on the following terms:

1. The Joint Venture would comprise a Designated Area incorporating all of Laverton/Nickel Mines mining titles in the Liontown area which we understand to total 26 mining leases. (Nos. 317, 320-345 inc.) 10
2. The interests of the parties in the Joint Venture would be:-

Nickel Mines Ltd.	10%
Laverton Nickel N.L.	10%
Newmont Pty. Ltd.	40%
ICI Australia Ltd.	24%
H.C. Sleigh	16%
3. Newmont, ICI and H.C. Sleigh would, subject to paragraphs 4 and 5 hereof, contribute all funds required for exploration, evaluation and development of the Liontown area until the commencement of commercial scale mining operations within the Designated Area. Thereafter each party would be required to contribute (in proportion to its percentage interest in the Joint Venture) to mine operating and continuing exploration expenses, capital replacement and if warranted reinvestment. 20
4. Newmont, ICI and Sleigh would not be entitled to withdraw from the Joint Venture until a first stage of exploration estimated to cost \$111,500 had been completed in a maximum period of 1 year. Details of the proposed programme and budget are annexed hereto. 30

Thereafter any party would be entitled to withdraw from the Joint Venture before the commencement of any budget period. A withdrawing party would forfeit all rights under and interests in the Joint Venture and would take steps to transfer any interests it then had in the mining leases to the continuing parties provided that:

- (a) in the event that any of Newmont, ICI or H.C. Sleigh withdraw from the Joint Venture prior to the equalization date as hereinafter defined, the remaining party or parties of the aforesaid three would be successor to the rights and obligations thus vacated, 40

...3/

-3-

- (b) in the event that any party withdraws from the Joint Venture after the equalization date, each of the continuing parties will be entitled to a share of the rights and obligations thus vacated, and
 - (c) rights and obligations vacated by a withdrawing party will be shared between the continuing parties entitled thereto in the proportions that their respective interests at the date of withdrawal bear to one another. 10
5. After the commencement of commercial mining operations in the Designated Area Laverton Nickel and Nickel Mines would be required to pay 80% of the net cash flow from the sale of their share of output from such mining operations to Newmont, ICI and H.C. Sleigh until the equalization date. The equalization date is defined as the date on which 20% of contributions to the Joint Venture in the period between the date of commencement of the Joint Venture and the date of commencement of commercial scale mining operations in the Designated Area compounded quarterly at the rate of 3.75% (=15% annual rate) equals 80% of Laverton/Nickel Mines net cash flow from commercial mining operations in the Designated Area compounded quarterly at 3.75%. Net cash flow is Laverton/Nickel Mines' share of revenue from the sale of mine output less all contributions to the Joint Venture, reasonable smelting, refining, freight and selling expenses and taxation paid in each relevant period. 20 30
6. Any party would be entitled to sell their interests in the Joint Venture on the following basis:
- (a) any such sale or transfer to a third party must be for cash consideration only,
 - (b) the existing parties to the Joint Venture would have the pre-emptive right to acquire any interest being sold by matching the best bid a selling party could obtain from a third party. In the event that more than one existing party wished to match the best bid, their entitlement to the interest being sold would be in the proportions that their respective interests at the time bear to each other, 40
 - (c) the third party purchaser would covenant with the continuing parties to be bound by the terms of the Joint Venture agreement and would abide by such other conditions as may be reasonably required by the continuing parties as a condition of their consent to the transfer, and

...4/ 50

-4-

- (d) Newmont, ICI and H.C. Sleigh would be entitled to transfer their interests to related companies without the limitations imposed by (a), (b) or (c) hereof.
7. In addition to meeting all expenditures required to explore, evaluate and possibly develop the Liontown area, Newmont, ICI and H.C. Sleigh would make the following payments to Laverton Nickel/Nickel Mines Limited for so long as they retained an interest in the Joint Venture: 10
- (a) no later than 14 days from the execution of a formal Joint Venture Agreement (subject to the need for Court ratification of any such Agreement) \$30,000,
 - (b) on or before the first anniversary date of the first payment \$40,000,
 - (c) on or before each subsequent anniversary date of the first payment until the date of commencement of commercial mining in the Designated Area \$50,000. 20
8. Newmont would be manager of the Joint Venture until:
- (a) it resigned as manager, or
 - (b) withdrew from or otherwise ceased to retain an interest in the Joint Venture.
9. Budgets and work programmes which the Manager would implement would be determined by a Committee of Management involving representatives of each of the five companies. Decisions taken by that Management Committee would be by majority vote with each party entitled to a number of votes equal to its percentage contribution to the programme and budget under review. 30
10. The Manager would report, technically and financially, to each of the parties on a monthly basis. This information would be provided in confidence and be subject to the provisions of a confidentiality clause.
11. The Manager of the Joint Venture would be responsible for the maintenance of all mining titles including but not limited to rental and rate payments, applicable for labour exemptions and title alterations. 40
12. This offer is subject to confirmation of:
- (a) your appointment as provisional liquidator of both Laverton Nickel N.L. and Nickel Mines Limited, and
 - (b) the legal status of the companies, their rights to the leases in question and your capacity to deliver good title to the mining leases to Newmont, ICI and H.C. Sleigh. ..5/

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The above offer is an alternative to the conditional option proposal contained in my July 11 letter. Following receipt of the disappointing assay results for gold and tin we now consider that it is appropriate that the terms of that option offer be modified and accordingly hereby withdraw the July 11 offer and submit the following option terms for your consideration:

10

(a) Option Payments:

- (i) Initial Payment - 12 months - \$30,000
- (ii) 1st Extension - 12 months - \$40,000
- (iii) 2nd Extension - 12 months - \$50,000
- (iv) 3rd Extension - 12 months - \$60,000
- (v) 4th Extension - 12 months - \$100,000

- (b) Exercise Price - \$500,000 payable no later than 14 days from the end of the 4th Extension.

We look forward to your consideration of these two alternative proposals and would be happy to discuss them with you in detail at your convenience.

20

Sincerely,

John C. Quinn
J.C. QUINN.

JCQ:bj
Encl: Liantown Prospect,
Programme & Budget.

LIONTOWN PROSPECT

STAGE 1 PROGRAMME & BUDGET

The programme will consist of two EMP loops, oriented over the mineralisation and extended to explore 500 m along strike from both the eastern and western lodes, together with four diamond drill holes to test for vertical extension of the Main and Western Lodes to approximately 200 m below surface. 10

Expenditure Estimates, Stage 1

Labour and Overhead		\$22,000	
Assays		2,500	
Drilling - 4 x 80 m precollar			
@ \$18/m	5,760		
4 x 220 m DDH			
@ \$50/m	44,000		
Mobilisation, etc.	<u>1,240</u>	51,000	
Earth Moving - site preparation		1,000	
Geophysics - 2 EMP loops		8,000	20
Surveying - EMP grid		3,000	
Rentals - office & equipment		1,500	
Consultants - A.W.G. Whittle, petrology		1,000	
Supplies		3,000	
Field Living		3,000	
Vehicle Operating		1,500	
Travel & Accommodation		1,000	
Property Payments - exemption			
applications	1,000		
lease rentals	<u>12,000</u>	13,000	30
		<u>\$111,500</u>	

This stage could be completed in a maximum twelve month period.

Subsequent programmes and expenditures to be determined by the Committee of Management based upon results of Stage 1.

"I"
NEWMONT PROPRIETARY LIMITED
(INCORPORATED IN DELAWARE)
A.M.P. TOWER, 535 BOURKE STREET
MELBOURNE, VICTORIA, 3000

August 8, 1978

Mr. W.J. Hamilton,
Provisional Liquidator,
Laverton Nickel N.L./Nickel Mines Limited,
C/- Hamiltons,
1 York Street,
SYDNEY. N.S.W. 2000.

Dear Mr. Hamilton,

Re: Liantown Prospect, Charters Towers

10

Further to my letter of July 26, 1978 and discussions held in your office on August 3, Newmont, ICI and H.C. Sleight are prepared to modify the Joint Venture proposal put to you along the following lines in order to accommodate certain of the suggestions that you have made, and to confirm our continuing positive interest in exhaustively testing the Liantown Prospect to the extent that appears practicable to us in light of the current state of knowledge:-

- (a) The designated area proposed for the Joint Venture would comprise a defined geographic area which would extend beyond Laverton Nickel/Nickel Mines current title holdings in the area to provide a reasonable buffer zone for extensions of mineralisation along strike or down dip from the Liantown Leases. The definition of this area should probably be made by reference to geological plans but in principle, your concept of a 10 km x 10 km zone is not considered by Newmont, ICI and H.C. Sleight to be out of order. 20
- (b) Newmont, ICI and H.C. Sleight would be prepared to increase the first stage of exploration by providing for additional drilling and to make commitments to minimum rates of expenditure during the first three years of exploration as follows:- 30

Stage 1 - \$230,000 in a maximum period of 18 months;

Stage 2 - \$250,000 bringing aggregate expenditures to \$480,000 no later than 30 months from the commencement of the Joint Venture;

THIS IS THE ANNEXURE MARKED "I" REFERRED TO IN THE Affidavit OF John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979:

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Commissioner

Exhibit "V" - Annexure "I"
to the Affidavit of John
Quinn, 2 February 1979

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Stage 3 - \$270,000 bringing aggregate expenditures to \$750,000 no later than 42 months from the commencement of the Joint Venture.

It is understood that the proposed Stage 1 programme and expenditure is an irrevocable commitment and in the event that Newmont, ICI and H.C. Sleigh do not, subject to normal force majeure circumstances, complete this level of expenditure within the first 18 months of the Joint Venture, they would be considered to be in default of the Agreement, forfeit all rights and title under the Joint Venture and would pay the difference between the amount expended in the first 18 month period and the \$230,000 commitment to Laverton Nickel/Nickel Mines. 10

It would further be understood that expenditures in excess of those stated in each Stage would be credited against the commitment in any ensuing Stage and further, that in the event that Newmont, ICI and H.C. Sleigh do not, after the first Stage, achieve the required aggregate expenditure in exploration of the designated area in the agreed period of time, then they would forfeit all rights under and interests in the Joint Venture as if they had withdrawn. 20

(c) For the purposes of the definition of equalisation date pursuant to paragraph 5 of my July 26th letter, it is agreed that the compounding factor would not apply to 20% of contributions to the Joint Venture during the first three Stages aforesaid of \$750,000 of exploration expenditures. That is to say that 20% of the first \$750,000 would be carried forward at actual cost and only 20% of expenditures after the first \$750,000 would be compounded in accordance with the formula under the aforesaid paragraph 5. 30

(d) It is agreed that Laverton Nickel/Nickel Mines would be entitled to a one time election at the date on which a decision was taken to develop and exploit any mineralisation found at Liantown (i.e. upon completion of feasibility studies) to convert to an active participating interest in the Joint Venture by paying to Newmont, ICI and H.C. Sleigh an amount equal to 20% of contributions to the Joint Venture to the date of this election, compounded quarterly at the rate of 3.75% as appropriate, and undertaking to contribute its 20% share to all ongoing Joint Venture expenditures including both mine construction and development and mine operating expenses. 40

It is understood that this election would have to be exercised no later than 15 days after the date on which a decision is taken by the parties to develop a mine and 50

the notice of such election would be accompanied by documentary evidence, satisfactory to Newmont, ICI and H.C. Sleigh, that Laverton Nickel/Nickel Mines have funds in hand sufficient to meet its pro rata share of the estimated mine construction

-3-

and development expenses and that these funds would be held in a suitable trust account, the operation of which would be restricted exclusively for the purposes of the Joint Venture. 10

- (e) In the event that Laverton Nickel/Nickel Mines have not contributed to mine construction and development expenditures as provided for under (d) above, then in addition to the financing provisions of the July 26th letter, Newmont, ICI and H.C. Sleigh would agree to provide at the end of the first six months production, the amount of any deficiency in net cash flow (as defined in the July 26th letter) which amount would be capitalised for the purposes of the definition of equalisation date in paragraph 5 of our earlier offer. 20

It is understood however, that this proposal relates to the possibility of start-up losses in the first 6 months of production only, thereafter, the commercial risks of participating in a mining venture must be accepted proportionately by each of the participants. Recognising that Laverton Nickel/Nickel Mines will have no debt service and/or other imposts associated with a potential development at Liantown, we believe that it has significant advantages over the other participants in any event, and is unlikely to face major financial problems associated with funding mining operating deficits after the first 6 months of full scale commercial mining operations. 30

I will contact you again towards the end of the week to discuss the aforesaid revisions to our basic Joint Venture proposal.

Sincerely,

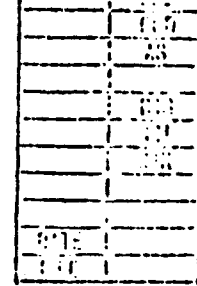
J.C. Quinn
J.C. Quinn.

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JCQ:JP

September 6, 1978

Mr. W.J. Hamilton,
Provisional Liquidator,
Laverton Nickel N.L.,
C/- Hamiltons,
1 York Street,
SYDNEY. N.S.W. 2000.



Dear Bill,

I am annexing hereto a resume of the Newmont/ICI/H.C. Sleigh proposal to farm-in on the Lioytown Prospect contained in the letters dated August 8 and July 26 for use by you at the proposed shareholders meeting later this month.

10

In supplying this resume to you, we would like to make the following points:-

1. While we can see no way of achieving your objective of having the stockholders ratify the proposed transaction other than to expose in considerable detail the terms of the transaction, Newmont, ICI and H.C. Sleigh do not wish to be nominated in any written submission or in any statement at the proposed meeting.

20

We feel that the stockholders may wish to know who has submitted the attached proposal. Therefore, I suggest that you could make a comment along the following lines that the proposal has been submitted by a consortium of major Australian and Foreign Companies whose expertise in exploration for and development and mining of mineral deposits is unquestioned, and whose financial resources are more than adequate to meet the payments entailed in the offer.

2. In publishing the attached resume, we feel that it is possible for competing parties to second guess the proposal we have made to our consortium's considerable disadvantage. We would therefore hope that in authorising you to release what would normally be confidential commercial information, that in the event that competing parties choose to either amend previous offers to you or you receive new offers which might appear in whole or in part to compete with or exceed the terms offered by Newmont, that you will give us similar details of the proposal and the substance of

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THIS IS THE ANNEXURE MARKED "J" REFERRED TO IN THE Affidavit OF John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979:

Commissioner

Exhibit "V" - Annexure "J"
to the Affidavit of John
Quinn, 2 February 1979

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of the organisation or organisations making the proposal in order that we can have an equal opportunity to review such a proposal.

3. In the event that the proposed stockholders meeting ratifies the Newmont group proposal, we would hope that you and the Provisional Liquidator of Nickel Mines would be in a position at that date to accept the Newmont group proposal in writing, subject to the drawing up of a formal document and the ratification of the arrangement by the Equity Court. 10

I have not addressed myself to the possibility that the stockholders may choose not to ratify the attached resume. Frankly, the thought is too painful to contemplate until that situation arises.

Sincerely,

J.C. Quinn.

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JCQ:JP
Enc.

R E S U M E

LIONTOWN PROSPECT - CHARTERS TOWERS

Minimum terms required for the further exploration,
evaluation and exploitation of the Liontown Prospect.

1. The incoming party or parties must be suitably qualified both financially and technically to assess and exploit any mineralisation contained within the twenty-six mining leases comprising the Liontown Prospect. 10
2. The incoming party or parties would be entitled to earn a maximum 80% interest in the Liontown Property.
3. The incoming party or parties would be required to spend in excess of \$200,000 in the first stage of exploration in a maximum period of 18 months with exploration in the two subsequent years thereafter being at a minimum rate of \$¼ million per annum.
4. After expenditure of the first \$750,000, which would be financed solely by the incoming party or parties, that party or parties would be required to finance Laverton Nickel and Nickel Mines participation in the continuing evaluation and possible development of the Liontown area, with a proviso that Laverton Nickel and Nickel Mines would be required to dedicate 80% of their share of the cash flow from any mining operations compounded quarterly at 3.75% equals 20% of contributions to mine development similarly compounded. 20
5. The incoming party or parties would be required to make the following payments in cash to Laverton Nickel and Nickel Mines in addition to the expenditures referred to above:- 30
 - (a) Within a reasonable period of execution of a formal Agreement, ratified by the Equity Court - \$30,000.
 - (b) On the first anniversary date of the first payment - \$40,000.
 - (c) On each subsequent anniversary date of the first payment until the date of commencement of commercial mining operations in the designated area - \$50,000.
6. In the event that the incoming party or parties fail to complete the first stage of exploration, they would pay the difference between the amount spent in exploration and the amount specified in the first stage in cash to Laverton Nickel/Nickel Mines. 40
7. Laverton Nickel/Nickel Mines would have the option at any stage to sell their interest to third parties for cash,

subject to normal protective covenants in favour of the incoming party or parties.

-2-

8. Laverton Nickel/Nickel Mines would also have an election upon completion of a feasibility study to finance their own 20% pro rata share of mine developments, rather than resort to the financing provisions to be required of the incoming party or parties. 10
9. The incoming party or parties would be required to bring into the Joint Venture any mining titles or interests in mining titles they hold in a designated area centred on the centre of the Liantown lease block, and covering a minimum area of 100 square kilometres.
10. The incoming party or parties would be responsible for the maintenance of all Mines Department requirements relating to the Liantown Prospect mining leases.

* * * * *

William J. Hamilton

HAMILTONS

Chartered Accountant

nsw 1 york street sydney . telephone 241 3831 . postal address box 1724 gpo sydney 2001 nsw . cde box 675
act 134 bunda street canberra . telephone 47 0972 . postal address box 1129 canberra city 2601 . cde box 7

Associate:
James Millar

	RJS
	LTH
	AVH
	JG
	CG
	TS
	PH
	HH
	TH
	ME

when replying please quote
our ref WJH:JG
your ref _____

29th September, 1978

Newmont Pty Limited
A.M.P. Tower
535 Bourke Street,
Melbourne Vic. 3000

10

Attention: Mr. J.C. Quinn

Dear Sir,

Handwritten notes:
H
110 Sample
101

Re: Liontown Leases

At an extra ordinary general meeting of Laverton Nickel N.L. held last Friday a committee of shareholders was elected namely Mr. John Dent, Mr. John Salway, Mr. Tom Cahill and Mr. David Sault. Prior to the meeting certain agreements were entered into which as a result the Attorney General of New South Wales has agreed as per the terms of the copy attached letter

20

- A. My appointment for a period of four years as Executive Director of Laverton Nickel N.L. and Nickel Mines N.L. in the first instant holding as trustee for Mr. Lynch 8/11ths voting rights and in the second almost the whole of the voting rights of the share capital.
- B. A Power of Attorney over the 50% interest that Nickel Mines Ltd holds in Liontown leases.

The shareholders committee has met with myself and at that meeting your letter of the 6th September, 1972 together with your current correspondence was considered at length. The committee noted that in your earlier letter you had agreed to expend a minimum of \$2 million, to repay Nickel Mines expenditure to acquire an equity of 66 2/3. It was noted that this offer is considerably better than the last one made by your Company whereby the expenditure over a period of 42 months is limited to \$750,000 and an interest being acquired by you of 80%. Also there is no offer to recompense the Company for the expenditure to date which I am informed is in the vicinity of \$1.5 million.

40

THIS IS THE ANNEXURE MARKED "K" REFERRED TO IN THE Affidavit of John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF January 1977:

Commissioner

Exhibit "V" - Annexure "K"
to the Affidavit of John
Quinn, 2 February 1979

The committee and myself are however desirous of concluding a joint venture agreement and we do not wish to become involved in a dutch auction in respect of the matter because as you know there are several other major mining houses other than your consortium interested in the prospect and who have made firm proposals. To this end the committee and myself have decided that we will negotiate with your Company exclusively for the next 30 days in the hope that agreement can be reached in respect of all details of the joint venture and commitments entered into.

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The committee generally thought that the terms of your latest offer did not take into account in full measure the large amount of high risk grass root exploration expenditure which has been incurred on the prospect by the Company particularly in regard to the percentage

.../2

-2-

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to be retained by the Company and the expenditure to be incurred by your consortium before a contingent contribution became the liability of the Company. The committee and myself would be agreeable to a joint venture agreement incorporating the following basic terms.

1. Newmont and others to earn a maximum 65% interest.
2. It is noted that your offer provides for the interest to be earned by your Company and others to occur immediately on the signing of the documents. This is not in accordance with the normal practice in the industry whereby the farm in partner earns an interest subject to him fulfilling certain obligations and it is preferred that the normal practice be adhered to in this case. 30
3. Because of the large expenditure of high risk capital previously referred to and paid for by this Company it is considered unfair this Company should incur any liability for contributions to exploration expenditure until \$3 million has been expended by Newmont and others thereafter Laverton Nickel/Nickel Mines would be liable for 35% of all expenses incurred provided that in the event of your consortium not proceeding to mine all liability would be waived and your interest in the leases would revert entirely to Laverton and Nickel Mines. 40
4. Subject to the above we are agreeable to the exploration programme set out in paragraph (b) of the first page of your letter of the 8th August last with the addition that Exhibit "V" - Annexure "K" to the Affidavit of John Quinn, 2 February 1979

once Newmont and others commit themselves to each stage they carry out the expenditure referred to in that stage or if they withdraw prior to the full expenditure they pay the balance of the amount of such expenditure to Nickel Mines and Laverton.

5. The annual cash payments referred to in paragraph 7 on page 4 of your letter of the 26th July last are agreed to. It is of course assumed that it will be the responsibility and at the cost of Newmont and others to preserve all mining titles. 10
6. Your suggestion of the designated area contained in paragraph (a) of your letter of the 8th August is agreed to with the proviso that on the joint venture agreement being signed that Newmont and others immediately apply for authority to prospect or other appropriate mining titles in respect of the surrounding area proportionately for the benefit of the joint venture partners. 20
7. We would like a clause in the agreement making it obligatory on Newmont and others to decide within five years from the date of the agreement to implement plans to mine the area and in the event that no such mining commences that the interest of Newmont and others revert in its entirety to Laverton and Nickel Mines without any obligation on those two companies to Newmont or others.
8. Subject to 10 below Newmont and others would contribute all funds required for exploration, revaluation and development of the Lioontown area. Laverton and Nickle Mines committment for its percentage after the expenditure by Newmont and others of \$3 million would be carried by Newmont and others and Newmont and others would look for reimbursement from Laverton and Nickle Mines by deducting 80% of the net cash flow from the sale of their share of the minerals from the mining operation until equalisation as referred to in your letter of the 26th July last. 30
9. We would require the right to elect in respect of the sale of our share of the mineral products and decide on a contract by contract basis as and when each contract is being negotiated. 40

.../3

10. We to have the right to elect at the time when the decision is taken to develop and exploit any mineralisation at Liontown i.e. upon completion of feasibility studies to convert to an active participating interest in the joint venture by paying to Newmont and others an amount equal to 35% incurred to the date of making a decision to mine which exceeds the sum of \$3 million of expenditure to the date of that election compounded quarterly at the rate of 3.75%. We undertake to contribute thereafter to 35% of all ongoing joint venture expenditures. We would have the right to make the election within 180 days after the date on which the decision is taken by the parties to develop the mine and provided documentary evidence of our ability to meet the commitments is submitted there should be no requirement for the funds to be held in a suitable Trust Account. 10
11. The right to sell as per paragraph six of your letter of the 26th July is agreed to. 20
12. The definition of expenditure as spelt out in any final agreement will of course have to be approved by us and the agreement will no doubt contain the other usual machinery clauses together with the usual arbitration clause.

Yours faithfully,
Laverton Nickel N.L.

W.J. Hamilton

W.J. Hamilton,

Provisional Liquidator

30

William J. Hamilton

HAMILTONS

chartered accountant
nsw 1 vork street sydney . telephone 241 3831 . postal address box 1724 ppo sydney 2001 nsw . cde box 675
act 134 bunda street canberra . telephone 47 0972 . postal address box 1129 canberra city 2601 . cde box 7

October 9, 1978.

when replying please quote

our ref WJH:JN-----

your ref -----

Newmont Pty. Limited,
535 Bourke Street,
MELBOURNE VIC 3000

10

Attention: Mr. J.C. Quinn

Dear Sir,

RE: LAVERTON NICKEL N.L. (Provisional Liquidator appointed)

Herewith, please find enclosed one copy of the Corporate Affairs Commission letter dated September 21, 1978, together with attachments omitted from our recent letter to you.

Yours faithfully,
LAVERTON NICKEL N.L.

W.J. Hamilton
W.J. HAMILTON
PROVISIONAL LIQUIDATOR

20

(Encs)

THIS IS THE ANNEXURE MARKED K2 REFERRED TO IN THE Affidavit OF John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF ~~January~~ February 1979:

Commissioner

398. Exhibit "V" - Annexure "K2"
to the Affidavit of John
Quinn, 2 February, 1979



Corporate Affairs Commission



Mr W J Hamilton
1 York Street
SYDNEY N S W 2000

175 Castlereagh Street,
Sydney

Address all mail to:
The Commissioner, G.P.O. Box 7018
Sydney 2001

Telex: CASYD 26504

Our reference: GN ar

Your reference:

21st September 1978

618621

Telephone: ~~2-6655~~
Extension 212

Dear Mr Hamilton

I have been directed by the Attorney General to write to you and comment on four draft deeds submitted by you in support of your request that subject to the execution of the deeds the petition by the Attorney General to wind up Laverton Nickel No Liability (Laverton) be withdrawn. Copies of the draft deeds are attached as Annexures One to Four respectively.

10

Inherent in the deeds, which I have been informed by Mr. P.A. Somerset have been executed by all parties, are the following propositions -

(1) Control of Nickel Mines Limited (Nickel Mines) to be vested in William James Hamilton until such time as Nickel Mines repays Laverton the sum of \$190,647 and also repays Leonora Nickel No Liability (Leonora) the sum of \$514,866.

20

(2) Independent of proposition (1), Nickel Mines to give W.J. Hamilton complete and irrevocable control of the Liontown Prospect (Mineral Leases 317 and 320 to 345 (inclusive)) during a period of four years, which Prospect is undertaken in equal partnership between Nickel Mines and Laverton.

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(3) Mr. James Joseph Lynch to execute in blank and deposit with Mr. Hamilton a share transfer in respect of the total shareholding of Mr. Lynch in Nickel Mines which transfer Mr. Hamilton will be entitled to complete and register

/2...

Exhibit "V" - Annexure "K2"
to the Affidavit of John

399. Quinn, 2 February 1979

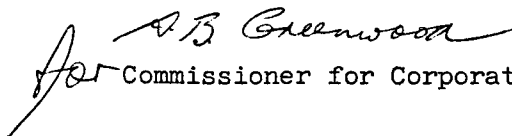
- if either the constitution of the board of Nickel Mines is altered without the approval of Mr. Hamilton, or any attempt is made to sell, transfer, charge or dispose of any of the assets of Nickel Mines without the consent of Mr. Hamilton, in each case during the period between the execution of the deeds and the repayment by Nickel Mines of \$190,647 to Laverton and \$514,866 to Leonora. 10
- (4) Mr. Hamilton to be appointed director of Laverton during the period referred to in proposition (3) above, and to have the right to replace such directors of Laverton as may have held office at the execution of the deeds. 20
- (5) The consent of Mr. Hamilton to be obtained prior to the appointment of any director to the board of Laverton during the period in which he is a director of Laverton.
- (6) Mr. Hamilton to have absolute and unfettered control and power to dispose of all shares held by Nickel Mines Underwriting and Mining Investments Limited, and Mineral Nominees Pty. Limited in Laverton during a period of four years from the execution of the deeds referred to herein with each of Nickel Mines, Underwriting and Mining Investments Limited, and Mineral Nominees Pty. Limited to execute in blank share transfers in relation to all shares held by them in Laverton at the date of the deeds referred to herein being signed and each of those companies to give those signed transfers to Mr. Hamilton. 30
40
- (7) Leonora directs Nickel Mines to pay \$218,427 direct to Laverton in part reduction of the Nickel Mines debt to Leonora of \$518,866, such payment to be treated as reduction of the Leonora debt due to Laverton, and in support of this direction Leonora charges in favour of Laverton its debt of \$514,866 due from Nickel Mines with the said payment of \$218,427. 50

/3..

- (8) Each of Nickel Mines, Laverton, Leonora, Underwriting and Mining Investments Limited and Expo Investment Corporation Limited to be restored to their respective financial positions as if certain transactions that took place on the 17th May 1978 had not taken place and the assets and liabilities of each of the said companies as between themselves will be restored to the position they were in prior to the said transactions of the 17th May 1978, which transactions were detailed at pages 9 and 10 of the judgement of His Honour Mr. Justice Needham given in matter 2371 of 1978 on 4th September 1978. 10 20

On the written assurance of each of the persons and companies referred to herein that it is their intention by the execution of the four deeds, copies of which are annexed hereto, to give effect to the propositions set out herein, and on those persons and companies proving to the satisfaction of the Attorney General that the four deeds have been duly executed and further that all parties to the deeds have in fact done all that they undertake to do in the text of the deeds, I am directed to advise you that the Attorney General consents in principle to withdrawal of his petition to wind up Laverton and pending that withdrawal to the continuation of the provisional liquidation. 30

Yours faithfully


Commissioner for Corporate Affairs

NEWMONT PROPRIETARY LIMITED

Mr. W.J. Hamilton,
Provisional Liquidator,
Laverton Nickel NL,
1 York Street,
SYDNEY, N.S.W. 2000.

Dear Mr. Hamilton,

re: Liontown Leases

This letter will confirm the proposal discussed in company of Messrs. David Sault, John Dent, Ian Spring and yourself on Thursday, October 12th, 1978 and confirmed on Friday, October 13th, 1978 on the terms for a joint venture to further explore, evaluate and, if warranted, exploit the captioned prospect. The terms were as follows:- 10

1. The Joint Venture would comprise a designated area of 100 square kilometres centred on the centre point of Laverton/ Nichel Mines block of 27 mining leases (Nos. 233, 317, 320 to 345 inclusive). All mining titles or interests in mining titles held or under application by any party/or their related companies to the proposed Joint Venture or acquired or applied for during the currency of the joint venture, would be deemed to be acquired by the relevant party on behalf of the Joint Venture. Mining lease Nos. 233, 317 and 320 and 345 inclusive would become Joint Venture assets on the date of commencement of the Joint Venture. 20

2. The interests of the parties in the Joint Venture until varied up hereinafter provided would be:-

Nickel Mines	15%	
Laverton Nickel	15%	30
Newmont	40%	
ICI	20%	
Sleigh	10%	

The interest of each party would be an undivided interest as tenant in common with the others in the Joint Venture.

The interests of Newmont, ICI and Sleigh will be subject to forfeiture in the event that they do not comply with the expenditure requirements specified in paragraph 3 and 7 hereof.

— W. L

THIS IS THE ANNEXURE MARKED "L" REFERRED TO IN THE Affidavit OF John Quinn Sworn BEFORE ME AT Melbourne THIS 2nd DAY OF January February 1979: 40

Commissioner

Exhibit "V" - Annexure "L" to the Affidavit of John Quinn, 2 February 1979

-2-

3. Newmont, ICI and Sleigh would be required to contribute the initial \$1.75 million in funds for exploration and evaluation of the designated area before Laverton and Nickel Mines will be liable for their pro-rata contributions to Joint Venture programmes and budgets. The contributions would be phased as follows:-

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Stage 1 - \$ 230,000 in 18 months from date of commencement
Stage 2 - \$ 250,000 in 12 months from the termination of Stage 1
Stage 3 - \$ 270,000 in 12 months from the termination of Stage 2
Stage 4 - \$1,000,000 in 18 months from the termination of Stage 3.

In the event that Newmont, ICI and Sleigh do not spend \$230,000 on Exploration of the Designated area in the first eighteen months, half of the difference between the amount expended and \$230,000 would be paid in cash to each of Laverton and Nickel Mines and the interest of Newmont, ICI and Sleigh would be forfeited.

20

It is understood that the above are minimum expenditures in the specified periods. The rate of expenditure in excess of the minimum in each period will be at the discretion of Newmont, ICI and Sleigh. Expenditures in excess of the minimum in any stage will be credited against the expenditure commitment in ensuing stages.

30

In the event that Newmont, ICI and Sleigh have not expended the required aggregate amount at the end of each stage, their interest in the Joint Venture would be forfeited.

4. After expenditure of \$1.75 million as aforesaid, Newmont will advise Laverton and Nickel Mines in writing of that fact and will provide an estimate of expenditure required to complete the balance of the then current approved programme. Laverton and Nickel Mines will each be required to contribute their pro-rata share of ongoing programmes as participating parties unless one or both advise Newmont in writing no later than 30 days from the date of the Newmont notice of expenditure of \$1.75 M that they elect to revert to funded 15% interest in the Joint Venture.

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Upon an election to revert to a funded interest by one or both of Laverton and Nickel Mines hereunder:

- (a) Newmont, ICI and Sleigh shall be required to provide all funds required for the electing party or parties pro-rata share of Joint Venture contributions until the commencement of commercial scale mining operation in the Designated Area,
- (b) Laverton and/or Nickel Mines will be required to pay 80% of the net cash flow from the sale of their share of output from mining operation in the Designated Area to Newmont, ICI and Sleigh until the equalization date. The equalization date is defined as the date on which 15% of contributions to the Joint Venture in the period between the date of an election by either Laverton or Nickel Mines not to contribute to on-going programmes and to revert to a 15% funded interest

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-3-

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and the date of commencement of commercial scale mining operations in the Designated Area less \$262,500 compounded quarterly at the rate of 4.5% equals 80% of Laverton/Nickel Mines net cash flow from commercial mining operations in the Designated Area compounded quarterly at 4.5%. Net cash flow is Laverton/Nickel Mines' share of revenue from the sale of mine output less all contributions to the Joint Venture, reasonable smelting, refining, freight and selling expenses and taxation paid in each relevant period.

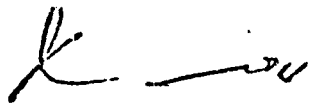
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5. Newmont, ICI and Sleigh would not be entitled to withdraw from the Joint Venture until a first stage of exploration estimated to cost \$230,000 had been completed in a maximum period of 18 months.

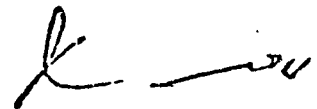
Thereafter any party would be entitled to withdraw from the Joint Venture before the commencement of any budget period. A withdrawing party would forfeit all rights under and interests in the Joint Venture and would take steps to transfer any interests it then had in the mining leases to the continuing parties provided that:

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- (a) in the event that any of Newmont, ICI or H.C. Sleigh withdraw from the Joint Venture prior to the equalization date as hereinbefore defined the remaining party or parties of the aforesaid three would be successor to the rights and obligations thus vacated,

- (b) in the event that any party withdraws from the Joint Venture after the equalization date, each of the continuing parties will be entitled to a share of the rights and obligations thus vacated, and
- (c) rights and obligations vacated by a withdrawing party will be shared between the continuing parties entitled thereto to the proportions that their respective interests at the date of withdrawal bear to one another. 10
6. Any party would be entitled to sell their interests in the Joint Venture on the following basis:
- (a) any such sale or transfer to a third party must be for cash consideration only,
- (b) the existing parties to the Joint Venture would have the pre-emptive right to acquire any interest being sold by matching the best bid a selling party could obtain from a third party. In the event that more than one existing party wished to match the best bid, their entitlement to the interest being sold would be in the proportions that their respective interests at the time bear to each other, 20
- (c) the third party purchaser would covenant with the continuing parties to be bound by the terms of the Joint Venture agreement and would abide by such other conditions as may be reasonably required by the continuing parties as a condition of their consent to the transfer, and 30
- 
- 4-
- (d) Newmont, ICI and H.C. Sleight would be entitled to transfer their interests to related companies without the limitations imposed by (a), (b) or (c) thereof.
7. In addition to meeting all expenditures required to explore, evaluate and possibly develop the Liontown area, Newmont, ICI and H.C. Sleight would make the following payments to Laverton/Nickel Mines Limited for so long as they retained an interest in the Joint Venture: 40
- (a) no later than 14 days from the execution of a formal Joint Venture Agreement (subject to the need for Court ratification of any such Agreement) \$30,000.

- (b) on or before the first anniversary date of the first payment \$40,000,
 - (c) on or before each subsequent anniversary date of the first payment until the date of commencement of commercial mining in the Designated Area \$50,000.
8. Newmont would be manager of the Joint Venture until:
- (a) it resigned as manager, or 10
 - (b) withdrew from or otherwise ceased to retain an interest in the Joint Venture.
9. Budgets and work programmes which the Manager would implement would be determined by a Committee of Management involving representatives of each of the five companies. Decisions taken by that Management Committee would be by majority vote with each party entitled to a number of votes equal to its percentage contribution to the programme and budget under review.
10. The Manager of the Joint Venture would be responsible for the maintenance of all mining titles including but not limited to rental and rate payments, application for labour exemptions and title alterations. Costs associated with such activities will be Joint Venture expense. 20
12. Any one of the contributing parties may elect after feasibility to develop and exploit an ore body. If an election is so made by one or more of the parties, Laverton and Nickel Mines will be entitled to an election under one of the following paragraphs:
- (a) in the event Laverton and/or Nickel Mines did not make an election under paragraph 4 to revert to a 15% funded interest, they each shall be entitled, for a period of 90 days after the decision to develop and exploit, provided that they were not the sole party or parties to such a decision, to revert to a 15% funded interest. Provisions made to paragraphs 4 (a) and 4 (b) would apply to such an election, excepting that the payouts under the 4(b) formula would be based on 15% of contributions to the Joint Venture subsequent to the decision to mine only. 30 40



-5-

- (b) In the event that Laverton and/or Nickel Mines had made an election under paragraph 4 to revert to a 15% funded interest each of Laverton Nickel and/or Nickel Mines would be entitled to a one time election at the date on which a decision was taken to develop and exploit any mineralisation found at Lioontown (i.e. upon completion of feasibility studies) to convert to an active participating interest in the Joint Venture by paying to Newmont, ICI and H.C. Sleigh an amount equal to 15% of contributions to the Joint Venture to the date of this election, less \$262,500, compounded quarterly at the rate of 4.5% as appropriate, and undertaking to contribute its 15% share to all ongoing Joint Venture expenditures including both mine construction and development and mine operating expenses. 10 20

It is understood that this election would have to be exercised no later than 90 days after the date on which a decision is taken by the parties to develop a mine and the notice of such election would be accompanied by documentary evidence, satisfactory to Newmont, ICI and H.C. Sleigh, that Laverton Nickel/Nickel Mines have * to meet finance in a its pro rata share of the estimated mine construction and development expenses. 30

*arranged
finance in a
form satis-
factory to
the Manager

13. In the event that Laverton Nickel and/or Nickel Mines have not contributed to mine construction and development expenditures, Newmont, ICI and H.C. Sleigh would agree to provide at the end of the first six months production, the amount of any deficiency in net cash flow (as defined herein) which amount would be capitalised for the purposes of the definition of equalisation date in paragraph 4.

It is understood however, that this proposal relates to the possibility of start-up losses in the first 6 months of production only, thereafter, the commercial risks of participating in a mining venture must be accepted proportionately by each of the participants. 40

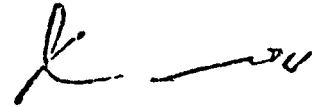
14. Each party would have the right to take and independently dispose of its pro-rata share of mine output.

15. Newmont, ICI and H.C. Sleigh shall be entitled to a right of refusal to purchase (on terms no worse than Exhibit "V" - Annexure "L" to the Affidavit of John

those obtainable from third parties save and except Laverton) any or all shares in Nickel Mines Ltd. which you may intend to sell pursuant to the powers granted you in a deed dated the 20th day of September, 1978 between Mr. J.J. Lynch, Nickel Mines Ltd. and yourself.

16. This letter supersedes and replaces all previous offers to Laverton, Nickel Mines and yourself with respect to the Liontown area.

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-6-

17. You have indicated that you have agreement in principle from the provisional liquidator of Nickel Mines to negotiate an agreement on that company's share of the Liontown area but subject to his approval of the agreement herein which shall be obtained.

18. These terms are subject to

- (a) the execution of a formal Joint Venture Agreement document;
- (b) ratification by the New South Wales Supreme Court Equity Division.

20

Kindly signify your agreement to these terms on behalf of Laverton Nickel and confirm the agreement of the provisional liquidator of Nickel Mines Ltd. as soon as practicable.

For and on behalf of
NEWMONT PROPRIETARY LIMITED
as Manager of the Newmont/
Sleigh/ICI consortium

30

John C. Quinn

J.C. Quinn

AGREED for and on behalf of
LAVERTON NICKEL N.L
(Provisional Liquidator
appointed)

W.J. Hamilton

W.J. Hamilton

W.J. Hamilton

M

HAMILTONS

chartered accountant

nsw 1 york street sydney . telephone 241 3831 . postal address box 1724 gpo sydney 2001 nsw . cde box 675
act 134 bunda street canberra . telephone 47 0972 . postal address box 1129 canberra city 2601 . cde box 7

17 October 1978

when replying please quote

our ref WJH:KL

your ref _____

Newmont Proprietary Limited,
535 Bourke Street,
Melbourne,
VICTORIA.

MELBOURNE OFFICE
RECEIVED
24 OCT 1978
ANSWERED.

*cc: KLF, KL
Kye Taylor 10
Melb. Sec'y HCS
Peter Hume, J. Quinn,
HCS*

Attention: Mr J.C. Quinn

Dear Sir,

RE: LIONTOWN LEASES

Please find enclosed, copy of letter dated 17th October, 1978 from Wallace, McMullin & Smail, Chartered Accountants in regard to your letter concerning the Liontown Leases dated 13th October, 1978. As noted in the abovementioned letter the Provisional Liquidator of Nickel Mines Limited, Mr L.B. Hunter is in agreement to the terms set out in your letter of 13th October, 1978.

20

Yours faithfully,
LAVERTON NICKEL N.L.

W.J. Hamilton

W.J. Hamilton
PROVISIONAL LIQUIDATOR

encl.

*cc: J. Quinn
cc: H
210-448*

Wallace
McMullin
& Smail

Chartered Accountants

52 Phillip Street Sydney 2000 Telephone 27 9631 Telex AA 21237
CDE 445 Cables "Walmac Address Correspondence to: Box 3369 GPO
Sydney, 2001

Ref Mr. Macpherson.

17th October, 1978.

Messrs. Hamiltons,
Chartered Accountants,
1, York Street,
SYDNEY. N.S.W. 2000.

10

Dear Sir,

Re: Nickel Mines Limited
(Provisional Liquidator Appointed)

I refer to your letter dated 16th October last concerning the agreement negotiated by you for a joint venture of the Liantown leases.

I have read the letter of Newmont Pty. Limited of 13th October last which outlines in some detail the aforementioned agreement and I see no grounds for my objecting to the terms so mentioned. I understand that Mr. Hamilton, as Provisional Liquidator of Laverton Nickel N.L. will be signing the agreement this week and I now give my confirmation that I will be prepared to sign an agreement similar to that outlined in the letter of Newmont Pty. Ltd. on behalf of Nickel Mines Limited.

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I also confirm that to facilitate the completion of these contracts, Mr. P.A. Somerset of P.A. Somerset & Co., solicitors, be instructed to act on our joint behalfs.

30

Yours faithfully,

L.B. Hunter

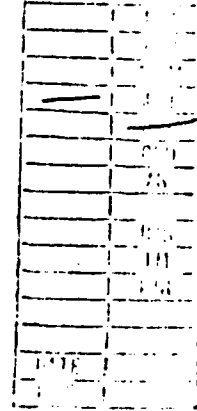
L.B. Hunter,
Provisional Liquidator.

JWM:am.

P

November 9, 1978

Mr. P.A. Somerset,
P.A. Somerset & Co.,
Solicitors,
167 Macquarie Street,
SYDNEY. N.S.W. 2000.



Dear Mr. Somerset,

Please find enclosed five (5) copies of the Liantown Joint Venture Agreement plus two (2) copies of the Third Schedule to the Agreement, for stamping by the appropriate authority in your state.

10

We would expect the stamp duty charge to be assessed on the basis of the \$75,000 cash payment. We would not anticipate stamp duty being assessed on the \$355,000 aggregate fixed commitment or the total expenditure figure of \$2,800,000. However, if this occurs, we would appreciate your prompt advice prior to payment of the duty.

Upon completion of stamping, would you please return three (3) copies of the Joint Venture Agreement and one (1) copy of the Third Schedule to Mr. J.C. Quinn at the above address.

20

Sincerely,

PJ
P.A. Jackson,
Financial Controller.

PAJ:JP
Enc.

Q

Our Ref: PAS
Your Ref: PAJ:JP

P. A. SOMERSET & CO.

Solicitors

	PAS
	PAJ
	GOJ
	AS
	DJB
	FM
	KJR
DATE	16/11/78
FILE	

167 Macquarie Street,
Sydney. 2000
Tel. 221 1300
D.X. 834 Sydney

13th November, 1978.

The Financial Controller,
Newmont Proprietary Limited,
A.M.P. Tower,
535 Bourke Street,
MELBOURNE. VIC. 3000

10

Dear Sir,

Re: Laverton Nickel N.L. - Nickel Mines Limited

Thank you for your letter of 9th November enclosing the duly executed documents.

The Agreement which was not witnessed by the writer is returned as requested.

On the question of stamp duty we confirm our discussions with Mr. Jackson on Friday that the amount of duty is difficult to assess. At the present time it seems undesirable to lodge the Agreement for stamping as, of course, it is conditional upon, inter alia, the Court's approval. However in making any application to the Court to approve the Agreement we will need to produce either a stamped Agreement or give an undertaking that duty would be paid. Our client is not in any position to pay any duty in any event and as advised over the telephone it is not/the responsibility of Laverton Nickel N.L. and/or Nickel Mines Limited to pay the duty. The proper basis for paying duty in our opinion is to divide it in the proportions which the Joint Venturers have in the joint venture. However, at the present time due to the total absence of funds in the two Companies under provisional liquidation there can be no payment by them at all. Accordingly, we would be grateful if you would kindly let us have a letter from your Company agreeing to meet the duty levied by the Commissioner of Stamp Duties for the State of New South Wales upon the basis that having paid the duty there will be an adjustment with all the Joint Venturers on the basis of their contributions to the joint venture.

20

30

As no application could be made to the Court without such a letter we would appreciate the same at your earliest convenience. 40

Yours faithfully,

P.A. Somerset
P.A. SOMERSET & CO.
Exhibit "V" - Annexure "Q"
to the Affidavit of John
414. Quinn, 2 February 1979

R

November 17, 1978

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Mr. P.A. Somerset,
P.A. Somerset & Co.,
Solicitors,
167 Macquarie Street,
SYDNEY. N.S.W. 2000.

Dear Sir,

Re: Laverton Nickel N.L. -
Nickel Mines Limited

10

We have received your letter dated November 13, 1978 concerning payment of the stamp duty in respect of the Liantown Joint Venture Agreement.

On behalf of the joint venturers, Newmont will undertake to pay the duty levied on the Agreement by the appropriate authority in New South Wales. We would also agree with the basis on which you suggest this outgoing should be eventually shared by the parties to the Agreement.

We feel that it would now be appropriate to obtain an assessment of the duty payable from the Commissioner of Stamp Duties and would request that you undertake to do so on our behalf as soon as possible.

20

We look forward to your further advice.

Yours sincerely,

PJ
P.A. Jackson,
Financial Controller.

PAJ:JP

415. Exhibit "V" - Annexure "R"
to the Affidavit of John
Quinn, 2 February 1979

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

NO. 2112 of 1978.

IN THE MATTER OF

LAVERTON NICKEL

N.L.

AND IN THE MATTER

of the Companies

Act, 1961

A F F I D A V I T

Deponent:

John Quinn

Sworn:

23rd February 1979

COLIN BIGGERS &

PAISLEY,

Solicitors,

33 Bligh Street,

SYDNEY.N.S.W.2000.

Phone: 221-2022.

DX 280 SYDNEY.

On the 23rd day of February One thousand nine hundred and seventy-nine I, JOHN QUINN of 535 Bourke Street, Melbourne in the State of Victoria, Business Manager being duly sworn make oath and say as follows:-

1. I am the Business Manager for Newmont Proprietary Limited one of the parties to the Joint Venture Agreement made on the 3rd November, One thousand nine hundred and seventy-eight between Laverton Nickel N.L. of the first part and Nickel Mines Limited of the second part and Newmont Proprietary Limited of the third part and I.C.I. Australia Limited of the fourth part and H.C. Sleigh Resources Limited of the fifth part. 10

2. I crave leave to refer to the two documents the first thereof being the Joint Venture Agreement of the 3rd November, 1978 made between Laverton Nickel N.L. of the first part and Nickel Mines Limited of the second part (both herein-after referred to jointly as "the Companies") and Newmont Proprietary 20

THIS IS THE ANNEXURE MARKED "B" REFERRED TO IN THE AFFIDAVIT OF John Quinn SWORN BEFORE ME AT Sydney THIS 20 JUN 1979

Helen Lead A Solicitor of the Supreme Court of New South Wales

Exhibit "V" - Affidavit of
416. John Quinn, 23 February 1979

Limited of the third part and I.C.I. Australia Limited of the fourth part and H.C. Sleight Resources Limited of the fifth part (hereinafter referred to as "the Newmont Agreement").

John C. Quinn M.L. Eavley (J.P.)

-2-

3. I also crave leave to refer to the proposed Agreement being the exhibit to the Affidavit of William James Hamilton sworn on the 21st day of February, 1979 and filed herein (hereinafter referred to as the "Esso Agreement"). 10
 4. I have been engaged in the mining industry and in particular in the development of arrangements both Joint Venture and otherwise for the exploration and development of Mining Leases for a period of almost 10 years.
 5. I have perused the Esso Agreement and sought in the limited time available to me to make a comparison of it with the Newmont Agreement. 20
 6. While the percentage interest of the Companies under both Agreements is the same I note that Esso Exploration and Production Australia Inc. (herein called "Esso") is a wholly owned foreign company whereas Newmont and its co-venturers has a considerable Australian ownership content.
 7. The Newmont Agreement complies with all of the Federal and State investment guidelines. The Esso Agreement would not comply with those guidelines as it does not provide for a 50% Australian beneficial ownership at the
- Exhibit "V" - Affidavit of
417. John Quinn, 23 February 1979

development stage and I refer in particular to clause 5 of the Esso Agreement.

8. Provisions in the Esso Agreement and in particular clause 29 for the divestiture of interest for the purposes of complying with the Government guidelines appear to represent nothing more than an agreement to vary the Esso Agreement in an undefined way at some time in the future.

John C. Quinn M.L. Eavley

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-3-

9. In clause 6 of the Esso Agreement Esso has the sole right to conduct exploration activities and as a result of its percentage controlling interest the companies cannot over rule Esso's decision as operator either during the equalisation period, subsequent evaluation or during any operating period even when mining operations have commenced. Under the terms of the Newmont Agreement there is a capacity pursuant to clause 4.4.4 for the other parties to over rule proposals of the Manager.

20

10. In the Esso Agreement the payments to the companies at the commencement of the agreement and on the first anniversary thereof exceed those proposed in the Newmont Agreement by \$125,000.00 and \$25,000.00 respectively. Thereafter the payments under the terms of the two Agreements are identical. In my judgment it is significant to comment that while these "front end payments" are material in amount at the time when they are paid they are insignificant

having regard to the total benefit to the companies if a mine is found. In that latter event it is probable that the share of the cash flow to the companies would run into several million dollars yearly and that their interests in the assets of the venture would of course run into tens of millions of dollars.

11. The Newmont consortium earns its interest by an expenditure of 2.8 million dollars over a maximum term of 5 years. 10 The Esso offer contemplates an expenditure of 3 million dollars for the same interest over a period of 6 years. In my judgment the difference of two hundred thousand dollars is not significant when considering the different periods over which the expenditures are being made and having regard to the matters referred to in the preceding clause of this my Affidavit and the relevant clauses of both agreements relating to recoupment of overhead expenses.

John C. Quinn

M.L. Eavley J.P.

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-4-

12. If both Newmont and its partners and Esso require the maximum period to earn their participating interest the discounted value of the two equalisation sums would be approximately the same.
13. The shorter period provided for in the Newmont Agreement for equalisation will encourage an earlier commitment to development and the Newmont Agreement is so structured to

bring about a potentially earlier benefit to the companies.

14. The accounting procedures under the Esso Agreement are set forth in the first and second schedules to that proposed Agreement.
15. The first schedule appears to provide for a period during exploration defined as the period to completion of feasibility studies and for recoupment of the overhead expenses in that time at a maximum rate of 110% of the aggregation 10
of the basic salaries of the permanent employees and, apparently, payments to casual and contract employees of the operator in addition to salaries wages and reasonable expenses of the operators employees directly engaged in the joint venture operations and a proportionate share of payroll burden expenses including holiday and sick leave and disability and benefit plans and other undefined fringe benefits.
16. The Newmont proposal provides for the recoupment of salaries wages and burden costs on a similar basis and 20
recoupment of administration overheads at a maximum rate of 115% of base salaries of professional staff only and at the reduced rate of 55% on wages of other staff. The proposal of Newmont in its role as Manager under the terms of the Joint Venture Agreement is to follow its usual practice of not charging the burden expenses but only to charge the expenses on base salaries of professional staff and wages of other staff together with the

percentages thereof referred to herein to cover administrative overheads.

John C. Quinn M.L. Eavley J.P.

-5-

17. On the basis that the accounting practice of Esso is to recoup payroll burden and overheads at the rate allowed under the terms of the proposed draft agreement then the quantum of its 3 million dollar equalisation expenditure which would be absorbed by overhead recoupment is likely to be substantially greater than the quantum of such recoupment in the 2.8 million dollars equalisation expenditure under the terms of the Newmont Contract. 10
18. This is of fundamental importance because it is only the residual amount of the equalisation expenditures after overhead recoupment in both Contracts which can be spent in advancing knowledge and evaluating the mineral potential of the Liontown Leases. The residual amount of such equalisation expenditure is the only amount which is of direct and material benefit to the Companies. 20
19. The second schedule to the Esso Agreement (which appears to be not referred to in the body of the Agreement) provides for a different method of recoupment of overhead expenses to that set forth in the first schedule and presumably relates to mine construction and, possibly, mine operations. It provides for overhead to be charged at 5% of any capital cost which is less than one hundred

thousand dollars and 3% of any capital cost in excess of that sum. In addition there is charged a further 18% of all other operating expenses excepting those associated with litigation and claims taxes duties lease rentals and fees.

20. The provisions of the second schedule appear to apply for an indeterminate period, during which the companies will either be contributing or incurring a contingent liability 10 to repay their proportionate share of the Joint Venture costs including those overhead expenses.

John C. Quinn

M.L. Eavley (J.P.)

-6-

21. As exploration proceeds under the Esso Agreement the percentage of the Joint Venture expenditures which go to wages and salaries of operators employees can reliably be expected to diminish to a relatively small percentage of the total cost but the quantum of the expenditures will accelerate and increase. 20
22. Under the recoupment formula of the Newmont Agreement the overhead recoveries reflect the input of the manager's employees and not the quantum of the expenditure. This being so the percentage of overhead recoupment would diminish proportionately to the wages and salaries of the operators employees.
23. Under the Esso Agreement Esso is entitled to charge either 3% or 5% of capital costs and 18% of operating expenditures irrespective of whether the amount so charged

bears any relationship to the direct involvement of employees. Under this arrangement should the companies be contributors in that phase they would be paying in effect 41.2% to 42.1% of all capital costs and 49% of the operating costs and if a non-contributor would be incurring a similar contingent liability irrespective of the involvement of the employees of the operator in support of their 40% interest in the Joint Venture. In my opinion a disproportionate sharing of expenses of the magnitude proposed in the second schedule would substantially diminish if not extinguish, any benefit to the companies from a mine development at Liontown.

10

24. A reference is made in the Esso Agreement to the recoupment of the operators overheads and other expenses during mine operations in the second schedule in the following terms:-

John C. Quinn M.L. Eavley (J.P.)

-7-

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"Should mine development proceed, an appropriate Accounting Procedure covering this area will be developed for approval by the Parties".

This Statement appears to limit the application of the second schedule but as the approval by the Parties is apparently determined by a majority vote Esso will be in a position to require such Accounting procedure as it in its sole discretion may desire whether this is to the

-8-

27. Clause 16 of the Esso Agreement purports to provide for a sanction on Esso failing to proceed to development. However the time referred to in clause 15 is 120 days after completion of the feasibility study and the time as to both the start of the study and its duration is a matter which is totally in the discretion of Esso. Further even if Esso has completed the feasibility study and failed to develop the companies have an obligation to make substantial cash payments to Esso for the purposes of exercising the rights under the Agreement (see clause 16 (2) (e)). The Newmont Agreement provides that if a feasibility study has been completed any contributing party cannot be prevented by any other party from proceeding to development and if it elects so to do it is not penalised by substantial compensation payments to the other parties who do not proceed to development and thus forfeit their interests (see clause 7 of the Newmont Agreement). 10 20
28. I have seen what purports to be copies of letters of the 15th and 16th November, 1978 from Esso Australia Limited to Mr. W.J. Hamilton the Provisional Liquidator of Laverton Nickel N.L. and I say that the only substantial variation between what was proposed in those letters and the Esso Agreement now is the quantum of the "front end payments" which have been increased in the first year only from one hundred thousand dollars to two hundred thousand dollars.

The other variation of significance is that the Esso Agreement proposes a continuance of annual payments beyond the fifth anniversary date as specified in the letter of the 15th November, 1978 from Esso Australia Limited until the commencement of mine operations in a manner identical to the clauses providing for such similar payments in the Newmont Contract.

M.L. Eavley (J.P.) John C. Quinn 10

-9-

29. I have looked at the Newmont Agreement at length and given the whole matter serious thought including serious and lengthy deliberation of all of the proposals made to the Provisional Liquidator and it is my confirmed view that the Contract of the 3rd November, 1978 represents both as at that date and as at the present time a sound commercial agreement and which is not bettered by the Esso Agreement if the objects of the Joint Venture are carried to the development of a mining operation. It is only through such a development that the shareholders in Laverton Nickel N.L. will achieve any meaningful benefit from either Agreement. 20
30. At or shortly after the Newmont Agreement was signed i.e. on the 3rd November, 1978 Mr. Hamilton told me that the Esso offer made prior to the signing of the Agreement was in the area of equity and front end payments very similar to the Newmont Agreement. However he said that in his

view the other advantages, particularly that of dealing with a consortium and a majority rule approach caused him to favour and thus execute the Newmont Agreement.

31. Subsequently I saw the letters of the 15th and 16th November 1978 from Esso Australia Limited referred to in paragraph 28 of this my Affidavit which confirmed what I had been told by Mr. Hamilton were the general levels of the verbal offer made by Esso prior to the 3rd November, 1978 and reinforced my opinion that Mr. Hamilton had acted in the best interests of the company in the execution of the Newmont Agreement. 10

SWORN by the Deponent)
)
at Sydney) John C. Quinn
)
Before me:-)
)
M.L. Eavley (J.P.))
.....

January 24, 1979.

Mr. W.J. Hamilton,
William J. Hamilton,
Chartered Accountants,
1 York Street,
SYDNEY. N.S.W. 2000.

Dear Mr. Hamilton,

Re: Liantown Joint Venture

I am enclosing herewith a copy of a letter dated 19th January, 1979, from the Hon. R.E. Camm, Minister of Mines, Energy and Police, in Queensland, indicating his intention to approve the transfer of interests in the various titles subject of the captioned Joint Venture upon the completion of the various matters numbered 1 through 5 in his letter. Would you kindly arrange with the Provisional Liquidator of Nickel Mines Limited to provide me with executed transfer documents with respect to each of the subject Mining Leases and Miners Homestead Perpetual Lease in the form required to transfer to Laverton, Newmont, ICI and Sleigh interests in each of the titles in the percentages specified in clauses 3.3.1 of the Agreement dated 3rd November, 1978.

10

20

We will be grateful if you can attend to this request at your earliest convenience and in this regard draw your attention to the first paragraph of the Hon. Minister's letter which requires that all the matters to which he refers should be attended to no later than the 11th day of April, 1979. I look forward to your early advice.

Sincerely,

JQ
J.C. Quinn.

30

JCQ:MD
encl.

c.c. Messrs G.H. Reaney - H.C. Sleigh Resources Ltd.
R.L. Abbott - ICI Australia Ltd.
A.L. Bellemore - Colin Biggers & Paisley

THIS IS THE ANNEXURE MARKED "C" REFERRED TO IN THE AFFIDAVIT OF JOHN QUINN SWORN BEFORE ME AT SYDNEY THIS 20 JUN 1979

Helen Read
A Solicitor of the Supreme Court
of New South Wales

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Exhibit "V" - Annexure
to the Affidavit of John
428. Quinn, 23 February 1979



MINISTER FOR MINES, ENERGY AND POLICE.

18TH FLOOR.

WATKINS PLACE.

288 EDWARD STREET.

BRISBANE. 4000.

Telex No. 43040

19th January, 1979

Dear Mr. Quinn,

With reference to your letter of 22nd December, 1978 regarding the Liontown Joint Venture Agreement, I desire to advise that on 11th January, 1979 pursuant to Section 37 (2) of the Mining Act, 1968-1976 I indicated that I will approve the transfers of Mining Leases Nos. 233, 317 320 to 345, 402 and 602 to 607, Charters Towers, subject to the following requirements being attended to within a period of not more than three months of such date:-

1. The lodgment of duly executed and stamped transfer documents with the Warden, and if issued the Instruments of Lease;
2. the written consent of any person having a beneficial interest in the leases;
3. the payment of any monies outstanding to the Department;
4. the availability of the areas;
5. the fulfilment of all other statutory requirements.

If considered necessary any additional information regarding such proposed transfers may be requested before final approval is given.

As regards the transfer of Miner's Homestead Perpetual Lease No. 11436, Charters Towers, I would advise that provided the proposed transferees are qualified persons under the provisions of the Miners' Homestead Leases Act 1913-1978, there would be no objection to the transfer when reported by the Warden, Charters Towers, with whom the relevant documents should be lodged.

Yours sincerely,

(R. E. Camm)

Minister for Mines, Energy
and Police

J. C. Quinn, Esq.,
Newmont Proprietary Limited,
A. M. P. Tower,
535 Bourke Street,
MELBOURNE VIC. 3000

429. Exhibit "V" - Annexure
to the Affidavit of John
Quinn, 23 February 1979

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30

Hamiltons
Chartered Accountants

NSW 1 York Street Sydney • (02) 241 3831 • Box 1724 GPO Sydney 2001 NSW • DX675
ACT National Mutual Building Darwin Place • (062) 47 0972 • Box 1129 Canberra City 2601 • DX5607

JH/CA
P. Somerset (H.S.)
R. L. Abbott (C)

Our Ref WJH:KL
Your Ref JCQ:MD

31 January 1979

A. Bellmore
John Burgess +
Shirley
2.6.1.1
for lease

Newmont Pty. Limited,
A.M.P. Tower,
535 Bourke Street,
Melbourne,
VICTORIA. 3000.

Attention: Mr John Quinn.

Dear Mr Quinn,

10

RE: LAVERTON NICKEL N.L. LIONTOWN JOINT VENTURE

Thank you for your letter of 24th January, 1979 wherein you mentioned that the procedures should be carried out by 11th April, 1979, set out in the letter of 18th January, 1979 from the Minister for Mines, Energy and Police in the State of Queensland.

You will appreciate that it would be premature to provide you with the executed transfer documents in respect of each of the mining leases and Miners Homestead Perpetual Lease until such time as the agreement has been approved by the Supreme Court.

I have forwarded however, a copy of your letter and its attachment abovementioned to the Provisional Liquidator of Nickel Mines Limited, Mr Hunter together with a copy of this letter and I feel that he will on legal advice, form the same view. In fact the view has been expressed to me by Peter Somerset who is also advising Mr Hunter in this matter.

20

Yours faithfully,
LAVERTON NICKEL N.L.

WJH

W.J. Hamilton
PROVISIONAL LIQUIDATOR

Exhibit "V" - Annexure
to the Affidavit of John
Quinn, 23 February 1979

P. A. SOMERSET & CO.

Solicitors

OUR REF: PAS

YOUR REF: ALB:SM

167 MACQUARIE STREET,
SYDNEY, 2000
TEL. 221 1300
D.X. 834 SYDNEY

7th February, 1979.

Messrs. Colin Biggers & Paisley,
Solicitors,
DX 280,
SYDNEY.

Dear Sirs,

Re: Nickel Mines Limited - Laverton Nickel N.L. -
Summons for Directions

10

In accordance with the directions given by Mr. Justice Needham on 5th February we hereby serve you with copies of the Summonses herein which have now been made returnable for 19th February. No Affidavits in support have at this stage been filed.

Copies of the Short Minutes of Order made on 5th February are also enclosed from which you will see that your client has been joined as a Respondent.

Yours faithfully,



P.A. SOMERSET & CO.

20

Encls.

P. A. SOMERSET & Co.

Solicitors

OUR REF: PAS

YOUR REF: ALB: SM

167 MACQUARIE STREET,
SYDNEY, 2000
TEL. 221 1300
D.X. 834 SYDNEY

19th February, 1979.

Messrs. Colin Biggers & Paisley,
Solicitors,
DX 280,
SYDNEY.

Dear Sirs,

Re: Nickel Mines Limited - Laverton Nickel N.L. -
Newmont Proprietary Limited & Ors.

10

We refer to our discussions in Court this morning and we note your statements to the Court that it is your wish to have your Application determined as quickly as possible.

As advised we received this morning the Agreements with Esso and they are currently being perused and it is anticipated that they will be exchanged on Wednesday. After they are exchanged they will be immediately made available to you and it is currently envisaged that an application will be made to Mr. Justice Needham immediately thereafter with a view to having one or other of the Agreements with either your client or with Esso approved.

20

We have been advised this day by Mr. Love, the Solicitor acting for Mr. Lynch, that it seems likely that application will be made on Thursday for the dismissal of the Petition. In these circumstances it will become necessary to have the application heard as soon as possible and indeed quite possibly by the end of this week in order to prevent concluded Agreements from having no efficacy whatsoever.

We are merely at this stage writing to inform you of the possibility of this happening and to inform you that if this does arise we will be applying on extremely short notice for a hearing of the relevant matters. In view of your avowed desire to have the matters disposed of no doubt this will be acceptable to you, although it would undoubtedly mean that you will be required to consider contractual material which you have never seen before on very short notice. However

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Cont'd. 2.

432. Exhibit "W" - Letter to
Plaintiffs' Solicitor,
19 February, 1979

Exhibit "W" - Letter to
Plaintiffs' Solicitor,
19 February, 1979

Messrs. Colin Biggers & Paisley. 2. 19th February, 1979.

these circumstances have arisen due to factors totally beyond
our control.

You will be served with the necessary documentation at the
earliest possible moment.

Yours faithfully,

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right.

P.A. SOMERSET & CO.

10

433. Exhibit "W" - Letter to
Plaintiffs' Solicitor,
19 February, 1979

BY HAND

"C"

JOHN M. SWAN, LL.M.

SOLICITOR

7th Floor, 175 Castlereagh Street, Sydney
G.P.O. Box 7018, Sydney, N.S.W. 2001.
Telephone: 268 5722

Your ref:

Our ref: Legal Division

Enquiries Mr: Pratt:LKP

Messrs P.A. Somerset & Co,
Solicitors,
167 Macquarie Street,
SYDNEY 2000

21st February, 1979.

Dear Sir,

10

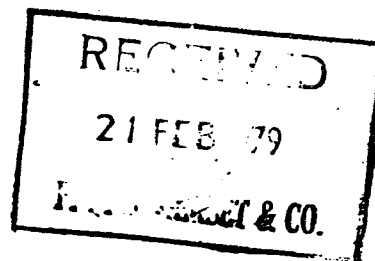
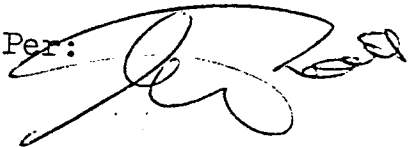
Re: Laverton Nickel N.L. - Nickel Mines Ltd.

Please find enclosed a copy of a letter sent by even mail to
Colin W. Love & Co.

It is the Attorney General's intention to proceed accordingly,
should the present circumstances as revealed in the said letter
prevail before Mr. Justice Needham on 22nd February, 1979.

Yours faithfully,
JOHN M. SWAN,
Solicitor for the
Petitioner.

Per:



20

This and the following two pages is the Annexure "C" mentioned
and referred to in the attached Affidavit of PETER ANDREW
SOMERSET sworn 22nd February, 1979 before me:

Paul Fordyce
Solicitor,
Sydney.

Exhibit "X" - Letter to
P.A. Somerset & Co.,
434. 21 February, 1979

BY HAND

Legal Division
Pratt:LKP

Messrs Colin W. Love & Co,
Solicitors,
183 Macquarie Street,
SYDNEY 2000

10

21st February, 1979.

Dear Sir,

Re: Laverton Nickel N.L. - J.J. Lynch

I now confirm Mr. Pratt's, of my office, telephone conversation with your Mr. Love this morning to the effect that my client, the Attorney General, the Petitioner in this matter, has approved of a solution in the following terms, which are to be put before the Judge on the hearing of the Petition set down for 22nd February, 1979.

- 1) That Mr. Lynch will undertake to the Court that he will forthwith resign from the Board of Laverton Nickel; 20
- 2) That the other members of the Board of the company, Marcel Kingsley Doolan, William Jangsing Lee, John Allen Salway and Errol Leon Fifer will remain as directors of the company and they will individually undertake to the Court either in person or by their Counsel or by their legal representatives that they will forthwith call a meeting of the company in order to specially resolve to amend the company's Articles of Association in such a way as to ensure that one amongst them will be appointed to be managing director of the company for the period of the next ensuing three years, pursuant to section 31 of the Companies Act, 1961; 30
- 3) That the said directors mentioned in 2) above will undertake similarly to the Court that they will offer themselves for election as the only members of the Board for the said three year period.

.../2

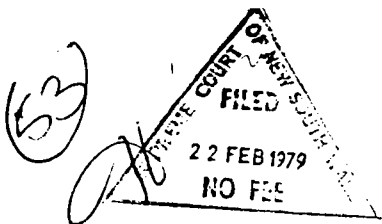
-2-

- 4) That Mr. Lynch will undertake to the Court that he will neither participate nor interfere further in the conduct of the affairs of the company for a period of three years, directly or indirectly unless requested to do so by the Board of the company and in particular will not oppose the undertakings mentioned in 2) and 3) above. Similar undertakings to those given by Mr. Lynch will need to be given to the Court by the associated companies including Nickel Mines Limited, Leonora Nickel N.L. and others so associated; 10
- 5) That the Attorney General will withdraw his Petition on 22nd February, 1979 to wind up the company;
- 6) That the legal costs of both parties, the Petitioner and Mr. Lynch, will be paid out of the assets of the company. Although Mr. Lynch will formally oppose the legal and professional costs of the provisional liquidator being so paid, he will nonetheless abide the Court's decision if the Attorney General seeks such costs. 20
- 7) If the only obstacle to the relisting of the company shares on the Stock Exchange be the continuance of the Attorney General's appointed Inspector, then the Attorney General indicate his willingness to the company to partially limit his Inspector's powers insofar as the time up to which the investigation should determine is concerned, to so facilitate the said relisting.

I am sending a copy of this letter to Messrs. P.A. Somerset & Co, solicitors for the provisional liquidator, and now ask you to urgently confirm that these proposals are in accordance with your client's instructions. 30

Yours faithfully,
JOHN M. SWAN,
Solicitor for the
Petitioner

Per:



IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978.

IN THE MATTER of
LAVERTON NICKEL N.L.

AND IN THE MATTER
of the Companies
Act, 1961.

*Issued pursuant
to leave granted by
Mr Justice Needham
on 22.2.79.*

SUMMONS

*The time before
which this summons
is to be served has
been abridged.
by the court to
5.00 pm on 22.2.79*

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000
DX 884

Phone: 221.1300

AR
22/2/79

Pursuant to Leave granted on 22nd February, 1979.

LET ALL PARTIES CONCERNED attend before His Honour Mr. Justice Needham, Court 8b, Level 8, Supreme Court, Queen's Square, Sydney on 23rd February, 1979 at 10.00 o'clock in the forenoon or so soon thereafter as Counsel can be heard on the hearing of an Application by WILLIAM JAMES HAMILTON the Provisional Liquidator of Laverton Nickel N.L. (hereinafter called "the Company") for the following directions -

1. As to whether the Applicant as Provisional Liquidator of Laverton Nickel N.L. would be justified or ought properly to execute on behalf of the Company an Agreement with Esso Exploration and Production Australia Inc. in or substantially to the effect of the document being Exhibit "AJ" herein.

2. Such further or other directions as this Honourable Court deems fit.

DATED the 22nd day of February, 1979.

This Summons was taken out by Peter Andrew Somerset of P.A. Somerset & Co., Solicitors, 167 Macquarie Street, Sydney the Solicitor for the Provisional Liquidator of Laverton Nickel N.L.

NOTE:

It is intended to serve this Summons upon - James Joseph Lynch, C/- Colin W. Love & Co., 183 Macquarie Street, Sydney. Esso Exploration and Production Australia Inc., C/- Cutler Hughes & Harris, 16 Barrack Street, Sydney. Newmont Proprietary Limited, I.C.I. Australia Ltd. and H.C. Sleigh Resources Limited all C/- Colin Biggers & Paisley, 33 Bligh Street, Sydney.

If you do not attend, either in person or by your Solicitor or Counsel at the time and place mentioned above such order will be made and proceedings taken as the Court may think just and expedient.

Exhibit "Y" - Summons in
437. Matter No. 2112 of 1978

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IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION 5/2/79

SOMERSET (sol) applnt

No. 2112 of 1978 Summons 21/12/78

Afft. P.A. Somerset 1/2/79

CORAM: NEEDHAM J.

ON application of applicant make orders
as in short minutes initialled by me.

5 February 1979

22/2/79

22 February 1979

S/o petn to 10 a.m. 23/2/79

23 February 1979

23/2/79

10

BRUCE petnr

LAVERTON NICKEL NL

NICHOLAS for J.J. Lynch & coy

& COMPANIES ACT

MEAGHER QC GRIEVE & GULOTTA - Newmont P/L
I.C.I. & H.C. Sleigh

RAYMENT - Esso

SOMERSET - Prov. Liq

BRUCE addresses

NICHOLAS addresses

SOMERSET addresses

MEAGHER addresses

20

DELIVER JUDGMENT

COPY OF HIS

HONOUR'S NOTES

NOTE the agreement of the parties contained
in paras 1 & 2 of short minutes initialled
by me.

BY CONSENT orders set out therein.

/2

23/2/79 contd.

ORDER that costs of provisional liquidator of the summonses be
paid out of the assets of the company and that the costs of the
respondents Newmont P/L, I.C.I. Australia Ltd. and H.C. Sleigh/
Ltd. of the summons be paid out of the assets of the compnay. Resources 20

Associate

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978.

IN THE MATTER of
LAVERTON NICKEL N.L.

AND IN THE MATTER
of the Companies
Act, 1961.

SHORT MINUTES OF
ORDER

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000
DX 834.

Phone: 221.1300

SHORT MINUTES OF ORDER

The Court Orders as follows -

1. That the following be joined as

Respondents herein -

Newmont Proprietary Limited,

I.C.I. Australia Limited,

H.C. Sleigh Resources Limited,

John Joseph Lynch,

Esso Exploration and

Production Australia Inc.

2. That the Summons stand over until

19th February, 1979.



5/2/79

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IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978

THE ATTORNEY-GENERAL
IN AND FOR THE STATE
OF NEW SOUTH WALES
Petitioner

IN THE MATTER OF
LAVERTON NICKEL N.L.
and
IN THE MATTER OF
THE COMPANIES ACT
1961 (AS AMENDED)

Supreme Court
filed
23 FEB 1979
Equity Division

SHORT MINUTES

23/2/79

JOHN M. SWAN
SOLICITOR
7TH FLOOR,
175 CASTLEREAGH
STREET, SYDNEY
N.S.W. 2000
TEL: 20635 x 875

UPON :-

1. James Joseph Lynch undertaking to
the Court :-

- (a) to forthwith resign as a director of
the company;
- (b) to procure Nickel Mines Limited,
Mineral Nominees Pty Limited and
Underwriting & Mining Investment Cor- 10
poration Limited to attend the meet-
ing referred to in paragraph 2 below
and to vote in favour of the resolu-
tion therein referred to;
- (c) that he will not participate or inter-
fere directly or indirectly in the
conduct of the affairs of the company
for a period of three years from the
date of the resolution referred to
in paragraph 2 below, unless expressly 20
requested to do so by the board of
directors of the company.

2. Marcel Kingley Doolan, William Jangsing
Lee, John Allen Salway and Errol Leon Fifer
jointly and severally undertaking to the
Court :-

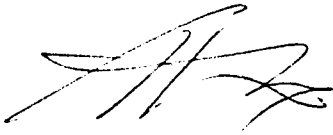
- (a) to convene an Extraordinary General
Meeting of the company to consider a
resolution to amend the Articles of
Association of the company so as to
appoint one of the said persons as 30
Managing Director of the Company for
a period of three years from the
date of such resolution;

- (b) to offer themselves for election as directors of the company for the said three year period.

BY CONSENT

Order :-

1. Petition dismissed;
2. Costs of the Petitioner and James Joseph Lynch be paid out of the assets of the company; 10
3. that William James Hamilton as Provisional Liquidator of the company shall be entitled to be paid out of the property of the company all the costs, charges and expenses properly incurred by him as Provisional Liquidator and his remuneration as determined by this Court and that he shall have a charge upon the Company's assets until the same has been paid.



23/2/79

IN THE SUPREME COURT
OF NEW SOUTH WALES
EQUITY DIVISION

)
) No. 2112 of 1978
)

CORAM: NEEDHAM, J.
FRIDAY, 23RD FEBRUARY, 1979.

LAVERTON NICKEL NO LIABILITY & COMPANIES ACT

JUDGMENT

HIS HONOUR: In this matter the petition to wind up the company is in the list for hearing today. It is a petition which was lodged by the Attorney-General pursuant to a recommendation of inspectors appointed under Pt. (VIA) of the Act, that in their opinion the company should be wound up. 10

The Attorney-General accordingly commenced the proceedings and made application, as I recall, almost immediately for the appointment of a provisional liquidator. Mr. Hamilton, from the A List of Liquidators, was then appointed and he was given power to carry on the business of the company and also the powers set out in s. 236(2)(a) - (j) inclusive.

There have been many interlocutory proceedings, both in this petition and in petitions of related companies and, no doubt, a great deal of expense has been incurred by the various parties. 20

Owned jointly by this company and Nickel Mines Limited are what now appear to be extremely valuable mining interests in Queensland. The provisional liquidator sought to realise in some manner upon those assets and the procedure adopted was to seek to obtain from various parties an offer of a joint venture. As a result, a conditional contract was entered into on behalf of the company and Nickel Mines Limited, through its provisional liquidator, with the parties, Newmont Pty. Limited, 30

1.

I.C.I. Australia Limited and H.C. Sleigh Resources Limited.

The contract was conditional upon the Court's approval and it appeared during hearings of various directions summonses that there were other potential bidders for the right to exploit these mining assets. When the provisional liquidator produced the conditional contract with the parties to whom I have just referred to the Court, he also indicated that there were other parties who, he thought, were interested in tendering. On that application I gave a judgment and I do not think it would be useful to repeat what I said then:- suffice it to say that counsel for the three parties who had the conditional agreement executed submitted that I had no power to approve the contract once entered into and, upon my holding that such a power did exist, an appeal was taken by those parties to the Court of Appeal. 10

It appears now that another company is ready to execute a contract with the provisional liquidator. That party is Esso Exploration and Production Incorporated and the provisional liquidator proposes to file a summons, similar to the summons filed in respect of the first conditional contract, asking whether he would be justified in entering into a firm contract with that party. 20

When these matters came on for hearing yesterday morning, the Attorney-General, through his counsel, advised the Court that the petitioner and the company had reached an agreement that one of the directors of the company would resign and would undertake not to take part in any of the administration of the company for a set period and that other persons named in the agreement would offer themselves for election as directors. In those circumstances, I was told the Attorney-General considered it was no longer in the public interest that a winding-up order should be sought because the reason which moved 30

2.

him to issue the petition in the first place was the identity of the directors of the company. Accordingly, the petitioner sought an order by consent of the company that the petition be dismissed and that the costs of the petitioner and of the company be paid out of the assets of the company.

Counsel representing the contracting interests were present because the summons in respect of their respective agreements were also in the list for hearing. I heard submissions from them as amici curiae and also from the provisional liquidator. It was submitted that the Court should not allow the petition to be dismissed until such time as the summons had been determined.

10

I also had some doubt, in the light of the Supreme Court rules relating to discontinuance, whether the petitioner could specify the time and the occasion for the dismissal of the petition and I requested counsel to consider the matter overnight and address me on that matter and also the question whether the directors, in appearing on the petition, appeared for themselves or for the company. I have now heard submissions on those various points. There is no doubt that, prior to the 1961 Companies Act at least, the authorities made it clear that the petitioner was dominus litis and could have his petition dismissed whenever he felt it proper to do so.

20

Mr. Bruce, who appears for the Attorney-General, has referred me to the decision of Plowman, J. in *In Re Union Accident Insurance Company Limited* (1972) 1 WLR 640 in which his Lordship applied the rule that, even though a provisional liquidator had been appointed, some power still remained in the board of directors. He specifically said that the board continued to have a power to resist the winding-up petition and that they exercised that power on behalf of the company. As his Lordship said, on p. 642:

30

3.

"I think that it may sometimes be helpful to test the matter by considering the other side of the coin, namely, to enquire whether the power which the board is said to have lost is one which can be said to have been assumed by the liquidator. If the answer is that it cannot, that may be a good reason for saying that the board still retains it. Clearly, for example, as I have already indicated, the power to instruct solicitors and counsel on the hearing of the winding-up petition is not a power which anyone could suggest has passed to the provisional liquidator and therefore the board retains it."

10

No doubt s. 236(2)(a) does not affect that principle, as it would be somewhat illogical to conclude that a provisional liquidator, appointed on the application of the petitioner, could as part of his duties defend the winding-up petition lodged on behalf of that party.

I am satisfied, therefore, that Mr. Nicholas, who announced his appearance for one of the directors and for the company, is entitled to appear on the petition for those parties. It would follow logically, I think, that the provisional liquidator has no right to appear to oppose the petition. Nevertheless, in determining this question, I have heard from and received assistance from counsel for the two contracting parties and also from the solicitor for the provisional liquidator.

20

The position then is that the two parties to the proceedings have agreed that the proceedings should be dismissed on certain terms. This morning I am told that the terms have been expanded to ensure that the costs of the provisional liquidator are protected. The question then is whether I have any power to deny to the parties the right to terminate their litigation. It is submitted, on behalf of the three first-mentioned contracted parties, that while I may be powerless to prevent the dismissal of the petition by consent, I should exercise a discretionary power to delay that dismissal until such time as the interlocutory proceedings have been concluded.

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4.

I do not think that I have such a power. There is, as is well known, a provision in the rules for the substitution of a petitioner where one petitioner wishes to withdraw or have dismissed his petition. Such a substitution may well involve some delay in the dismissal of the petition, but I think that is a particular case which does not represent a general principle that a Court may, of its own motion, decline to enter an order or judgment when the only parties before it which have a right to be engaged in that litigation consent to that order being made. 10

Accordingly, I think that I must, as the parties have agreed, dismiss this petition.

I note the agreement of the parties contained in pars. (1) and (2) of the short minutes initialled by me and by consent make the orders set out therein.

As a result of the orders that I have just made, the provisional liquidator necessarily vacates his position. The orders I have made include an order relating to his costs, but I think that I should perhaps make a separate order in relation to the costs of the summonses which are now to be dealt with. 20

It seems to me inevitable that the summons brought by the provisional liquidator should be dismissed as he no longer has any power to act for the company and I could not therefore approve any contract which he had entered into.

This necessity raises the question of what should be done about the costs of the parties which have been brought before the Court in response to the summons. I should say that Mr. Rayment, acting for Esso Exploration and Production Australia Incorporated, has not made any submissions to me about any of the matters with which I have dealt, nor does he ask on behalf of his client for any costs. 30

5.

While it is no doubt clear that a provisional liquidator is liable to lose his office by virtue of the petition being dismissed, or even in some cases by his being removed from the position, it does seem unfortunate that the efforts that he has made to obtain a desirable form of joint venture agreement should now in a sense be frustrated and the expense to which he and the other parties have been put be wasted. No doubt those efforts would not be entirely wasted because the company, under its new management, will no doubt seek to come to an arrangement with one or other of the various parties to whom I have made reference and it may be that the draft agreements, which the provisional liquidator has negotiated, will form the basis of real negotiation between those companies and Laverton Nickel No Liability. 10

However, these companies have been involved in costs which, in a sense, were incurred because of the directions given by me to the provisional liquidator. It is suggested that no order for costs should be made in their favour because they were attending here at their own risk as to costs seeking to obtain a commercial advantage. If the situation were solely that the provisional liquidator had entered into a provisional contract with one party and sought the Court's approval of it, then I think there would be much merit in that submission. However, the situation here was peculiar in that the provisional liquidator made the Court aware that there was more than one party interested in tendering for a joint venture agreement. In those circumstances, I recall advising the provisional liquidator that, when the summons for approval of the various agreements came on for hearing, it would be desirable, if not necessary, to ensure that the various parties who had made definite and conditionally binding offers should be represented so that all aspects of the agreement could be put to the Court to assist it in determining which, if any, of the agreements should be approved. 20 30

In those circumstances, it would have been perhaps contrary to the interests of any of those companies not to appear and it seems to me that their appearance here was because of the directions which I gave to the provisional liquidator.

In the circumstances, I think it would be unjust that they should have to bear their own costs and I think that, in respect of Mr. Meagher's clients, an order should be made that the costs of those companies of the summons should be paid out of the assets of the company.

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I will order that the costs of the provisional liquidator of the summonses be paid out of the assets of the company and that the costs of the respondents, Newmont Pty. Limited, I.C.I. Australia and H.C. Sleigh Resources Limited of the summons be paid out of the assets of the company.

I certify that this and the 6 preceding pages are a true copy of the Reasons for Judgment herein of His Honour, Mr. Justice Needham.

B. Turner
Associate

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Date: 2/3/79

At the conclusion of the second last paragraph of p.4
Mr. Nicholas made the following statement:

On behalf of my client, in relation to the undertaking
set out in par.1 of the short minutes, I am instructed that
those undertakings are given. I am further instructed to say
in so giving those undertakings it is understood that they
are given without any admission as to liability in relation to
any matter or thing arising out of the administration of the
affairs of the company. In relation to those undertakings set
out in par.2, I am instructed by the several persons there
mentioned to give those undertakings.

10

19/10/78

SOMERSET (sol) petnr

NICHOLAS coy

By consent stood over to 22/2/79

LIBERTY to any party to apply on 7 days' notice.

21/12/78

SOMERSET (sol) applnt

GRANT leave to applicant to file summons in form initialled by

me returnable before me 5 February 1979

10

22/12/79²⁸

BY CONSENT make orders as in short minutes signed by the
solicitors for the respective parties.

5/2/79

SOMERSET (sol) applnt

Summons 21/12/78

ON application of applicant make orders as in short minutes
initialled by me.

22/2/79

SOMERSET (sol) applnt

MEAGHER QC GRIEVE GULOTTA - Newmont P/L

RAYMENT - Esso

NICHOLAS - J.J. Lynch

s/o summons 10 a.m. 23/2/79

/10

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22/2/79

SOMERSET (sol) applnt

GRANT leave to applicant to file summons in form initialled
by me returnable before me 10 a.m. 23/2/79

DIRECT service of summons by 5 p.m. today.

23/2/79

SOMERSET (sol) applnt

MEAGHER QC GRIEVE & GULLOTTA - Newmont, I.C.I. & H.C. Sleigh

NICHOLAS - J.J. Lynch

RAYMENT - Esso

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ON application of applicant S.O.G. with liberty to any party
to restore on 7 days' notice.

5/3/79

NORWOOD (sol) petnr

NICHOLAS - coy

SOMERSET (sol) Prov. Liq.

ON petitioners application petition dismissed. ORDER that the
costs of all parties be paid out of the assets of the company.

MAKE orders as in short minutes initialled by me.

EXHIBITS May be handed out to the parties entitled thereto.

20


Associate

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2371 of 1978

IN THE MATTER of
NICKEL MINES LIMITED

AND IN THE MATTER
of the Companies
Act, 1961.

SHORT MINUTES OF
ORDER.

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000
DX 834.

Phone: 221.1300

SHORT MINUTES OF ORDER

The Court Orders as follows -

1. That the following be joined as

Respondents herein -

Newmont Proprietary Limited,

I.C.I. Australia Limited,

H.C. Sleigh Resources Limited,

John Joseph Lynch,

Esso Exploration and

Production Australia Inc.

10

2. That the Summons stand over until

19th February, 1979.



5/2/79.

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2371 of 1978.

IN THE MATTER of
NICKEL MINES LIMITED

AND IN THE MATTER
of the Companies Act
1961.

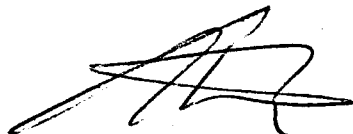
SHORT MINUTES OF
ORDER

P.A. SOMERSET & CO.,
Solicitors,
167 Macquarie St.,
SYDNEY. 2000.
DX 834.

Phone: 221.1300

SHORT MINUTES OF ORDER

By consent Order that William James Hamilton and Laurence Brian Hunter as the respective Provisional Liquidators of the Company shall be entitled to be paid out of the property of the Company all their respective costs, charges and expenses properly incurred by each of them whilst Provisional Liquidator of the Company 10 and their respective remuneration as determined by this Court and that each of them shall respectively have a charge upon the Company's assets until the same has been paid.



5/3/79.

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IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978

THE ATTORNEY GENERAL
IN AND FOR THE STATE
OF NEW SOUTH WALES
Petitioner

IN THE MATTER of
LAVERTON NICKEL N.L.
AND
IN THE MATTER of the
COMPANIES ACT, 1961
(As Amended)

LET all parties concerned in the matter of the within Petition attend before Master B.J.K. Cohen Q.C., in the Court of the Master, Equity Division, Supreme Court Building, Queens Square, Sydney, June on the 22nd day of May, 1978 at 10 o'clock in the forenoon

AND LET all parties have due notice thereof.

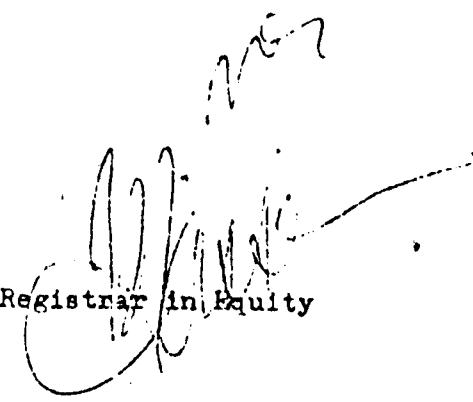
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DATED the day of May, 1978

Petition
SUMMONS
to Wind Up.

JOHN M SWAN, Esq.,
Solicitor for the
Petitioner,
7th Floor,
175 Castlereagh
Street,
SYDNEY. NSW 2000,

Phone: 20 635 Ext. 875


Registrar in Equity

20

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978

THE ATTORNEY GENERAL
IN AND FOR THE STATE
OF NEW SOUTH WALES

Petitioner

IN THE MATTER of
LAVERTON NICKEL N.L.

AND

IN THE MATTER of the
COMPANIES ACT, 1961
(As Amended)

PETITION

JOHN M. SWAN,
Solicitor for the
Petitioner,
175 Castlereagh
Street,
SYDNEY.

Telephone 20635
ext.875

TO: The Supreme Court of New South Wales
in its Equitable Jurisdiction.

1. THE Petitioner is FRANCIS JOHN WALKER,
the Attorney General in and for the State
of New South Wales, of Parliament House,
Sydney (hereinafter called "the Petitioner").

2. LAVERTON Nickel N.L. (hereinafter call-
ed "the company") was on the 22nd July,
1969 incorporated under the Companies Act, 10
1961.

3. THE registered office of the company
is at 2 Railway Parade, Burwood, Sydney,
in this State.

4. ON the 29th day of September, 1977 the
Petitioner appointed the Corporate Affairs
Commission as Inspector to investigate
certain of the affairs of the company pur-
suant to Section 170(1) of the Companies
Act, 1961. 20

5. THE matters into which the investiga-
tion is to be made were specified in the
said Instrument of Appointment as:-

- (a) the acquisition, existence, ownership,
value and disposition of all plant
and equipment howsoever classified in
the records of the company;
- (b) all items classified in any balance

sheet or other financial statements as "unsecured Loans";

-2-

(c) the utilisation of funds received in response to calls on shares due and payable on 16th May, 1974 (extended to 10th July, 1974) and 9th October, 1974 (extended to 12th February, 1975);

(d) the forfeiture of shares for non-payment of such calls and the auction of shares so forfeited.

10

6. ON the 19th day of May, 1978 the Corporate Affairs Commission reported to the Petitioner that it is of the opinion that it is in the interests of the public and of the shareholders of the company that the company should be wound up.

The Petitioner therefore claims as follows:-

1. THAT Laverton Nickel N.L. may be wound up by the Court under the provisions of the Companies Act, 1961 Section 222(1) (g) (ii).

2. THAT William Hamilton or such other Official Liquidator as the Court may see fit to appoint may be appointed Liquidator of the company.

20

3. THAT the costs of the Petitioner of this petition may be paid out of the assets of the company.

4. THAT such other order may be made in the premises as shall be just.

DATED this 22nd day of May, 1978.

John M. Swan
Solicitor for the Petitioner

NOTE:

(a) THIS Petition was presented by John Michael Swan of 7th Floor, 175 Castlereagh Street, Sydney the Solicitor for the abovenamed Petitioner.

(b) IT is intended to serve this Petition on Laverton Nickel N.L. of 2 Railway Parade, Burwood, New South Wales.

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978

THE ATTORNEY GENERAL
IN AND FOR THE STATE
OF NEW SOUTH WALES

Petitioner
IN THE MATTER of
LAVERTON NICKEL N.L.
AND IN THE MATTER of
THE COMPANIES ACT,
1961 (As Amended)

AFFIDAVIT VERIFYING
PETITION

JOHN M. SWAN, Esq.,
Solicitor,
7th floor,
175 Castlereagh
Street,
SYDNEY. N.S.W. 2000.

Phone 2-0635 ext.875

On the 22nd day of May 1978, FRANCIS JOHN WALKER, Her Majesty's Attorney General in and for the State of New South

of Parliament House, Sydney, in the said State, being duly sworn, makes oath and says as follows:

1. I am the Petitioner herein.

2. SUCH of the statements for the

Petition as relates to my own acts and deeds are true, and such of the said statements as relate to the acts and deeds of any other person or persons therein I believe to be true. 10

SWORN by the abovementioned)
deponent on the date) F. Walker
hereinbefore set forth)
at Sydney before me:-)

J. Heap

A Justice of the Peace.

20

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 2112 of 1978

THE ATTORNEY GENERAL

IN AND FOR THE STATE

OF NEW SOUTH WALES

Petitioner

IN THE MATTER of

LAVERTON NICKEL N.L.

AND IN THE MATTER of

the Companies Act,

1961 (As amended)

SUMMONS

JOHN M. SWAN Esq.
Solicitor
7th Floor
175 Castlereagh
Street
SYDNEY NSW 2000

Phone: 2 0635 Ext.875

Let all parties concerned attend before Mr Justice Needham, a Judge of the Supreme Court, Equity Division, New South Wales sitting in Equity at No. 8B Court, Supreme Court Building, Queens Square, Sydney on the 22nd day of May 1978 at 10 o'clock in the forenoon or so soon thereafter as Counsel can be heard on the hearing of an application by Francis John Walker, the Attorney General in and for the State of New South Wales for the following Orders:

10

1. THAT William James Hamilton be appointed provisional Liquidator of Laverton Nickel N.L.

2. THAT William James Hamilton be authorised and empowered to carry on the business of Laverton Nickel N.L.

3. THAT William James Hamilton have and be empowered to exercise, inter alia, the powers and authorities contained in S.236(2)(a)-(j) of the Companies Act, 1961.

20

4. THAT costs be costs of the Petition.

DATED this 22nd day of May 1978.

Chief Clerk in Equity.

Exhibit "AF" - Copy Petition
in Matter 2112 of 1978

This Summons was taken out by John M. Swan Esq. of
175 Castlereagh Street, Sydney, Solicitor for Francis
John Walker of Parliament House, Sydney.

-2-

It is intended to serve this Summons upon Laverton Nickel
N.L. at 2 Railway Parade, Burwood, New South Wales.

NOTE: If you do not attend either in person or by your
Solicitor or Counsel at the time and place abovementioned, 10
such Order will be made and proceedings taken as the
Judge would thing just and expedient.

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

2371 of 1978

IN THE MATTER of

NICKEL MINES

LIMITED

AND IN THE MATTER

of THE COMPANIES

ACT 1961

S U M M O N S

DIBBS CROWTHER &
OSBORNE, Solicitors,
16 Barrack Street,
Sydney 2000.

Phone: 29.7312


D.X. 101

Ref. PRE

THE 20th day of June, One thousand nine hundred and seventy-eight

LET all parties concerned in the matter of the within Petition attend before Master Cohen, Masters Court, 7th level, Queen's Square, Supreme Court, Sydney on the 21st day of July One thousand nine hundred and seventy-eight at 10 o'clock in the forenoon and hereof let all parties have notice.

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Registrar in Equity.

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IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

2371 of 1978

IN THE MATTER of
NICKEL MINES
LIMITED

AND IN THE MATTER
of THE COMPANIES
ACT 1961

WINDING UP PETITION

DIBBS CROWTHER &
OSBORNE, Solicitors,
16 Barrack Street,
Sydney 2000.

Telephone: 29.7312

D.X. 101

Ref. PRE

1. The Petitioner is WILLIAM JAMES HAMILTON Provisional Liquidator of LAVERTON NICKEL N.L.

2. NICKEL MINES LIMITED was incorporated pursuant to the Companies Act 1961 on the 10th January 1969.

3. The registered office of the company is situated at 2 Railway Parade, Burwood in the said State.

4. The Petitioner does not hold any of the issued capital of the company.

5. The Company was and still is indebted to LAVERTON NICKEL N.L. in the sum of One hundred and seventy-six thousand and sixteen dollars (\$176,016.00).

6. The Company is insolvent and unable to pay its debts as they fall due.

7. In the circumstances it is just and equitable that the company should be wound up.

The Petitioner therefore claims as follows:

a) That Nickel Mines Limited may be wound up by the Supreme Court under the provisions of the Companies Act (N.S.W.) 1961;

b) That your petitioner may be appointed Liquidator of the company;

c) That the costs of this petition may be paid out of the assets of the company, and

d) That such other Order may be made in the circumstances as shall be just.

DATED: this 20th day of June 1978.

P.R. Everett by his
partner R.H. Fisher

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NOTE:

- a) This Petition was presented by PETER ROBERT EVERETT care of Dibbs Crowther & Osborne of 16 Barrack Street, Sydney, the solicitor for the abovementioned petitioner;
- b) It is intended to serve this petition on the company, and
- c) The petition will be advertised in accordance with the Companies Rules 1968 prior to the date of hearing hereof.

IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

of 1978

IN THE MATTER of
NICKEL MINES
LIMITED

AND IN THE MATTER
of THE COMPANIES
ACT 1961

AFFIDAVIT
VERIFYING
WINDING UP
PETITION

Deponent:
William James
Hamilton

Sworn: 15/6/1978

DIBBS CROWTHER &
OSBORNE, Solicitors,
16 Barrack Street,
Sydney 2000.

Phone: 29.7312

D.X. 101

Ref. RE

On the 15th day of June, One thousand nine hundred and seventy-eight I, WILLIAM JAMES HAMILTON, Chartered Accountant of 1 York Street, Sydney in the State of New South Wales say on oath:

1. I am the Petitioner herein.
2. Such Statements in the Petition as relate to the acts and deeds of the said Petitioner are true and such of the said statements as relate to the acts and deeds of any other person or persons I believe to be true.

SWORN at Sydney the day and year first abovementioned

Before me: W.J. Hamilton

M.R. Thompson J.P.

A Justice of the Peace.

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IN THE SUPREME COURT OF NEW SOUTH WALES

EQUITY DIVISION

No. 1691 of 19 79

NEWMONT PTY. LIMITED

First Plaintiff

I.C.I. AUSTRALIA LTD.

Second Plaintiff

~~Plaintiff~~
~~XXXXXX~~

H.C. SLEIGH RESOURCES

*Amend as
required

LIMITED

Third Plaintiff

AND

LAVERTON NICKEL N.L.

First Defendant

NICKEL MINES LIMITED

Second Defendant

~~Defendant~~

LEONORA NICKEL N.L.

Third Defendant

ESSO EXPLORATION

& PRODUCTION

AUSTRALIA INC Fourth Defendant

SUBPOENA
FOR PRODUCTION

To

The Treasurer
of the Commonwealth of Australia
of The Treasury,
Parkes Place,
CANBERRA A.C.T. 2600

THE COURT ORDERS that you shall attend and produce this subpoena and the documents and things described in the schedule— 10

(a) before the Court*

(b) at Queens Square, Sydney

(c) on 16th April 19 80 at 10.00 a.m.* and until you are excused from further attending; but—

(i) you need not attend or produce any document on any day unless reasonable expenses have been paid or tendered to you;

(ii) if you are not a party to these proceedings, instead of so attending you may produce this subpoena and the documents and things described in the schedule to a clerk of the Court at the above place not later than the day before the first day on which you are required to attend; and 20

(iii) If, as an officer of a bank, you are required by this subpoena to produce a banker's book, and Part IV of the Evidence Act, 1898, applies, you need not produce it if you produce proof of the relevant entries in it in accordance with that Part.

SCHEDULE

See annexure hereto.

Solicitor

COLIN BIGGERS & PAISLEY

Address:

33 Bligh Street, Sydney

Dated

11th April,

1980

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By the Court:

Clerk of the Court.

NOTE: If you do not comply with this subpoena you may be arrested.
Issued at the request of Adrian Leonard Bellemore.

Telephone No.: 221-2022

the solicitor for the

First Plaintiff

465. Exhibit "AG" - Copy Subpoena
to Commonwealth Treasurer

TO: The Treasurer,
Commonwealth of Australia

To produce:

- (a) The original letter from Newmont Pty. Ltd. dated 21 December 1978 and addressed to Mr. R.H. Dean, Executive Manager, Foreign Investment Review Board relating to a proposed joint venture at Liontown via Charters Towers, Queensland between Newmont Pty. Limited, I.C.I. Australia Ltd. and H.C. Sleigh Resources Limited of the one part and the provisional liquidators of Laverton Nickel N.L. and Nickel Mines Limited of the other part together with the annexures attached to the said letter; 10
- (b) All orders made pursuant to Pt. II of the Foreign Takeovers Act (1975) (as amended) or any instrument or other document recording any such order relating to the transaction referred to in the letter the subject of paragraph (a) above.

This is the annexure referred to in the Subpoena for Production to the Treasurer, of the Commonwealth of Australia. 20
(L.S.)

the prescribed number of crew attendants shall be:
Two crew attendants

and the prescribed number and description of seamen, other than officers, for the deck department shall be:

Eight able seamen (of whom one shall be boatswain and one shall be boatswain's mate) and one ordinary seaman.

Dated this 22nd day of July 1975.

C. K. JONES

Minister of State for Transport

Navigation Act 1912-1973

APPOINTMENT OF SURVEYOR

IN pursuance of the powers and functions conferred on the Minister by section 190 of the *Navigation Act 1912-1973* and delegated by him to the person for the time being occupying, or performing the duties of, the office of First Assistant Secretary, Marine Standards Division, Department of Transport, I, Leslie Norman Etherton, hereby appoint Alasdair Charles McBurnie, a person employed in the Postmaster-General's Department, and being skilled with regard to radio installations and radio navigational aids, to be a surveyor under that Act.

Dated this 24th day of July 1975.

L. N. ETHERTON

Acting First Assistant Secretary
Marine Standards Division

Department of the Treasury

Commonwealth Banks Act 1959-1974

APPOINTMENT OF MANAGING DIRECTOR OF THE COMMONWEALTH BANKING CORPORATION

HIS Excellency the Governor-General in Council has been pleased, in pursuance of section 25 of the *Commonwealth Banks Act 1959-1974*, to appoint Ronald Stuart Elliott to be Deputy Managing Director of the Commonwealth Banking Corporation for the period of seven years commencing on 9 August 1975.

BILL HAYDEN

Treasurer

(Ex. Min. No. 55)

Reserve Bank Act 1959-1973

APPOINTMENT OF GOVERNOR OF RESERVE BANK OF AUSTRALIA

HIS Excellency the Governor-General in Council has been pleased, in pursuance of Section 24 of the *Reserve Bank Act 1959-1973*, to appoint Harold Murray Knight, D.S.C., to be Governor of the Reserve Bank of Australia for the period of seven years commencing on 23 July 1975.

BILL HAYDEN

Treasurer

(Ex. Min. No. 57)

Reserve Bank Act 1959-1973

APPOINTMENT OF DEPUTY GOVERNOR OF RESERVE BANK OF AUSTRALIA

HIS Excellency the Governor-General in Council has been pleased, in pursuance of Section 24 of the *Reserve Bank Act 1959-1973*, to appoint Donald Neil

Sanders to be Deputy Governor of the Reserve Bank of Australia for the period of seven years commencing on 23 July 1975.

BILL HAYDEN

Treasurer

(Ex. Min. No. 59)

Income Tax Assessment Act 1936-1975

RE-APPOINTMENT OF CHAIRMAN OF TAXATION BOARD OF REVIEW

HIS Excellency the Governor-General in Council has re-appointed Francois Eric Dubout as Chairman of Board of Review No. 3, Brisbane, for the period 26 August 1975 to 14 June 1980, inclusive.

BILL HAYDEN

Treasurer

(Ex. Min. No. 14)

Taxation Administration Act 1953-1974

RE-APPOINTMENT OF SECOND COMMISSIONER OF TAXATION

HIS Excellency the Governor-General in Council has re-appointed Patrick Joseph Lanigan a Second Commissioner of Taxation for a term of seven years beginning on 13 September 1975.

BILL HAYDEN

Treasurer

(Ex. Min. No. 15)

Taxation Administration Act 1953-1974

APPOINTMENT OF ACTING COMMISSIONER OF TAXATION

HIS Excellency the Governor-General in Council has appointed William John O'Reilly, O.B.E., as Acting Commissioner of Taxation from Monday, 28 July 1975 to Friday, 1 August 1975, inclusive during the absence on leave of Sir Edward Cain, C.B.E., the Commissioner of Taxation.

BILL HAYDEN

Treasurer

(Ex. Min. No. 17)

Department of Urban and Regional Development

Cities Commission Act 1972-1973

I, JOHN ROBERT KERR, the Governor-General in and over the Commonwealth of Australia, acting with the advice of the Federal Executive Council and in pursuance of Section 10.(2.) of the *Cities Commission Act 1972-1973*, have accepted the resignation of Mr Herbert Keith Coughlan, by writing under his own hand addressed to me, from the office of Associate Commissioner of the Cities Commission as of 30 June 1975.

Dated this 22nd day of July 1975.

JOHN R. KERR

Governor-General

By His Excellency's Command,

TOM UREN

Minister of State for Urban
and Regional Development

(Ex. Min. No. 10)

Exhibit "AH" - Copy p.30 of
Government Gazette -