

# **Mineral Sands (Cooljarloo) Mining and Processing Agreement Amendment Bill 2017**

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Western Australia

LEGISLATIVE ASSEMBLY

**Mineral Sands (Cooljarloo) Mining and  
Processing Agreement Amendment Bill 2017**

**A Bill for**

**An Act to amend the *Mineral Sands (Cooljarloo) Mining and  
Processing Agreement Act 1988*.**

The Parliament of Western Australia enacts as follows:

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1     **1.       Short title**

2               This is the *Mineral Sands (Cooljarloo) Mining and Processing*  
3               *Agreement Amendment Act 2017*.

4     **2.       Commencement**

5               This Act comes into operation as follows —

- 6               (a)   sections 1 and 2 — on the day on which this Act  
7               receives the Royal Assent;  
8               (b)   the rest of the Act — on the day after that day.

9     **3.       Act amended**

10              This Act amends the *Mineral Sands (Cooljarloo) Mining and*  
11              *Processing Agreement Act 1988*.

12    **4.       Section 3 amended**

- 13           (1)   In section 3 before the 1<sup>st</sup> alphabetical definition insert in  
14           numerical order:

15  
16                       *2017 variation agreement* means the agreement a copy  
17                       of which is set out in Schedule 2;  
18

- 19           (2)   In section 3 in the definition of *the Agreement*:

- 20               (a)   delete “the Schedule and” and insert:

21  
22                       Schedule 1 and, except in section 4(1),  
23

- 24               (b)   delete “provisions.” and insert:

25  
26                       provisions and by the 2017 variation agreement.  
27

1   **5.       Section 4 amended**

2       After section 4(1) insert:

3

4       (1A)   The 2017 variation agreement is ratified.

5

6       Note: The heading to amended section 4 is to read:

7               **Ratification and authorisation**

8   **6.       Schedule heading replaced**

9       Delete the heading to the Schedule and insert:

10

11       **Schedule 1 — Mineral Sands (Cooljarloo) Mining**  
12               **and Processing Agreement**

13

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**7. Schedule 2 inserted**

After the Schedule insert:

**Schedule 2 — 2017 variation agreement**

[s. 3]

**2017**

**THE HONOURABLE MARK McGOWAN**

**THE STATE OF WESTERN AUSTRALIA**

**and**

**TRONOX MANAGEMENT PTY LTD**

**ABN 59 009 343 364**

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**MINERAL SANDS (COOLJARLOO) MINING AND PROCESSING  
AGREEMENT 1988**

**RATIFIED VARIATION AGREEMENT**

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[Solicitor's details]

1 **THIS AGREEMENT** is made this 26<sup>th</sup> day of September 2017

2  
3 **BETWEEN**

4  
5 **THE HONOURABLE MARK McGOWAN**, BA LLB MLA, Premier of the  
6 State of Western Australia, acting for and on behalf of the said State and its  
7 instrumentalities from time to time (hereinafter called the "**State**") of the first  
8 part,

9 **AND**

10 **TRONOX MANAGEMENT PTY LTD** ABN 59 009 343 364 of Lot 22,  
11 Mason Road, Kwinana Beach, Western Australia, (hereinafter called the "**Joint**  
12 **Venturers**" in which term shall be included its successors and permitted  
13 assigns) of the second part.

14  
15 **RECITALS:**

16 **A.** The parties to this Agreement are now the parties to the agreement  
17 dated 8 November 1988 (the "**Principal Agreement**"), the execution  
18 of which by the State was ratified by the *Mineral Sands (Cooljarloo)*  
19 *Mining and Processing Agreement Act 1988*.

20 **B.** The parties wish to vary the provisions of the Principal Agreement on  
21 the terms and conditions set out in this Agreement.

22  
23 **THE PARTIES AGREE AS FOLLOWS:**

24 **1. Ratification and operation**

25 (1) This Agreement, other than this clause, does not come into operation  
26 except in accordance with subclause (2).

27 (2) This Agreement, other than this clause, comes into operation on the  
28 day on which it is ratified by an Act of the Parliament of Western  
29 Australia ("**Operative Date**") unless, before that day, it terminates  
30 under subclauses (4) or (5).

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- 1       (3)   The State must introduce in the Parliament of Western Australia  
2       before 31 December 2017 or a later date agreed by the parties to this  
3       Agreement a Bill to ratify this Agreement and must endeavour to  
4       secure its passage as an Act.
- 5       (4)   If by 30 June 2018 this Agreement has not been ratified by an Act of  
6       the Parliament of Western Australia then, unless the parties to this  
7       Agreement otherwise agree, this Agreement terminates on that day  
8       and no party hereto will have any claim against any other party hereto  
9       with respect to any matter or thing arising out of, done, performed, or  
10      omitted to be done or performed under this Agreement.
- 11      (5)   The parties agree that if the Principal Agreement is otherwise  
12      determined in accordance with its provisions on a day prior to the  
13      Operative Date, then this Agreement shall also terminate on and from  
14      that day and no party hereto will have any claim against any other  
15      party hereto with respect to any matter or thing arising out of, done,  
16      performed, or omitted to be done or performed under this Agreement.
- 17      **2.       Variations of the Principal Agreement**
- 18      The Principal Agreement is hereby varied as follows:
- 19      (1)   in clause 1 by:
- 20              (a)   inserting in the appropriate alphabetical positions the  
21              following new definitions:
- 22                      **"including"** means "including, but not limited to";
- 23                      **"Kwinana pigment plant"** means the plant and  
24                      associated facilities established and operated under  
25                      this Agreement at Kwinana for the production of  
26                      titanium dioxide pigment;
- 27                      **"Muchea dry processing plant"** means the plant  
28                      and associated facilities established and operated  
29                      under this Agreement at Muchea for the separation  
30                      into component heavy minerals of rock soil or sand  
31                      bearing heavy minerals which have been  
32                      concentrated prior to such separation;
- 33                      **"Muchea synthetic rutile plant"** means the plant  
34                      and associated facilities established and operated



- 1 under this Agreement at Muchea for the production  
2 of synthetic rutile;
- 3 **"Non-Mining Lease heavy mineral concentrates"**  
4 means Non-Mining Lease ore concentrated prior to  
5 separation into component heavy minerals;
- 6 **"Non-Mining Lease ore"** means any rock, soil or  
7 sand bearing heavy minerals mined from areas  
8 other than areas within the Mining Lease and  
9 whether within or outside Australia;
- 10 **"titanium slag"** means any upgraded titaniferous  
11 mineral other than synthetic rutile; and
- 12 (b) in the definition of "heavy minerals" by deleting  
13 "heavy mineral concentrates" and substituting "rock,  
14 soil or sand bearing heavy minerals which have been  
15 concentrated prior to such separation";
- 16 (2) in clause 7 by inserting after subclause (2) the following new  
17 subclause:
- 18 "(3) (a) The Joint Venturers may with the approval of  
19 the Minister and for the principal purpose of  
20 providing feedstock to any one or more of the  
21 Muchea dry processing plant, the Muchea  
22 synthetic rutile plant and the Kwinana  
23 pigment plant blend:
- 24 (i) heavy mineral concentrates with  
25 Non-Mining Lease heavy mineral  
26 concentrates;
- 27 (ii) a heavy mineral resulting from the  
28 separation of heavy mineral  
29 concentrates, or blended concentrates  
30 as referred to in subparagraph (i)  
31 above, with the same type of heavy  
32 mineral resulting from the separation  
33 of Non-Mining Lease heavy mineral  
34 concentrates.

1 The Minister shall within 2 months after  
2 receipt of a request from the Joint Venturers  
3 for the Minister's approval to undertake any  
4 such blending in accordance with this  
5 subclause (3), give notice to the Joint  
6 Venturers of his decision in respect of that  
7 request.

8 (b) The authority given under paragraph (a) is  
9 subject to the Minister being reasonably  
10 satisfied that there is in place adequate  
11 systems and controls for the correct  
12 apportionment between the Mining Lease  
13 and the areas from which Non-Mining Lease  
14 ore is being mined of the quantities of the  
15 heavy minerals resulting from the separation  
16 of the blended concentrates and/or heavy  
17 mineral being blended as the case may be  
18 and which systems and controls monitor  
19 production, concentration, processing,  
20 transportation, stockpiling and shipping  
21 activities in respect of all such blended heavy  
22 minerals. If at any time the Minister ceases  
23 to be so satisfied the Minister may, after  
24 consulting the Joint Venturers and provided  
25 that the Joint Venturers have not within  
26 3 months after the commencement of such  
27 consultation addressed the matters of concern  
28 to the Minister's satisfaction, by notice in  
29 writing to the Joint Venturers suspend the  
30 above authority in respect of the relevant  
31 blending arrangements until the Minister is  
32 again satisfied in terms of this paragraph (b).

33 (c) During the currency of an authority given  
34 under paragraph (a) the Joint Venturers must,  
35 for the purposes of the correct apportionment  
36 referred to in paragraph (b) between the  
37 Mining Lease and the areas from which  
38 Non-Mining Lease ore is being mined, keep  
39 the Minister fully informed of the area or

- 1 areas from which Non-Mining Lease ore is  
2 being mined.
- 3 (d) The provisions of the Mining Act shall apply  
4 with respect to the calculation and payment  
5 of royalties in regard to such blended mineral  
6 products and the submission and auditing of  
7 royalty returns.";
- 8 (3) in clause 11 by:
- 9 (a) deleting in the first line "If" and substituting "Subject  
10 to Clause 11A, if"; and
- 11 (b) inserting after "Clause 9":  
12 "(but with the reference in subclause (2) to  
13 "section 40(1)(b) of the EP Act" being read as a  
14 reference to "Part IV of the EP Act)";
- 15 (4) by inserting after clause 11 the following new clauses:
- 16 **"Non-Mining Lease heavy mineral concentrates and other**  
17 **Non-Mining Lease derived feedstocks**
- 18 11A.(1) During the continuance of this Agreement the Joint  
19 Venturers may, subject to the EP Act and the other  
20 provisions of this Agreement, submit to the Minister  
21 detailed proposals (including, in connection with any  
22 proposed new works, plans where practicable and  
23 specifications where reasonably required by the  
24 Minister and any other details normally required by  
25 a local government in whose area any such new or  
26 modified works are to be situated) with respect to:
- 27 (a) the separation into heavy minerals at the  
28 Muchea dry processing plant of Non-Mining  
29 Lease heavy mineral concentrates (including  
30 as part of blended concentrates as referred to  
31 in Clause 7(3)(a)(i));

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- 1 (b) the use in the production of synthetic rutile  
2 at the Muchea synthetic rutile plant of:
- 3 (i) blended heavy minerals as  
4 referred to in  
5 Clause 7(3)(a)(ii);
- 6 (ii) heavy minerals resulting  
7 from the separation of  
8 Non-Mining Lease heavy  
9 mineral concentrates  
10 (including as part of blended  
11 concentrates as referred to in  
12 Clause 7(3)(a)(i)), whether  
13 such separation occurs at the  
14 Muchea dry processing plant  
15 as referred to in  
16 paragraph (a) above or, if the  
17 Joint Venturers so wish,  
18 elsewhere;
- 19 (c) the use in the production of titanium dioxide  
20 pigment at the Kwinana pigment plant of:
- 21 (i) synthetic rutile, whether  
22 produced at the Muchea  
23 synthetic rutile plant as  
24 referred to in paragraph (b)  
25 above or, if the Joint  
26 Venturers so wish,  
27 elsewhere;
- 28 (ii) blended heavy minerals as  
29 referred to in  
30 Clause 7(3)(a)(ii);
- 31 (iii) heavy minerals resulting  
32 from the separation of  
33 Non-Mining Lease heavy  
34 mineral concentrates  
35 (including as part of blended  
36 concentrates as referred to in  
37 Clause 7(3)(a)(i)), whether

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such separation occurs at the Muchea dry processing plant as referred to in paragraph (a) above or, if the Joint Venturers so wish, elsewhere:

(iv) if the Joint Venturers so wish, titanium slag,

which proposals shall include the location, area, lay-out, design, quantities, materials and time programme for the commencement and completion of construction or the provision (as the case may be) of each of the following matters:

(d) the modification or expansion of any one or more of the Muchea dry processing plant, the Muchea synthetic rutile plant and the Kwinana pigment plant including the establishment and operation of new works as part of those facilities;

(e) water supplies;

(f) energy supplies;

(g) if applicable, the transport by road:

(i) from the Mining Lease to the Muchea dry processing plant (for processing in that plant) of blended concentrates as referred to in Clause 7(3)(a)(i);

(ii) from the Muchea dry processing plant or the Muchea synthetic rutile plant as the case may be to the Kwinana pigment plant (for processing in that plant) of resulting heavy minerals referred to in paragraph (a) above or



- 1 (3) If the Joint Venturers at any time during the  
2 continuance of this Agreement desire to significantly  
3 modify, expand or otherwise vary their activities  
4 referred to in subclause (1)(a), (b) or (c) beyond those  
5 activities specified in any proposals submitted and  
6 approved pursuant to this Clause they shall give  
7 notice of such desire to the Minister and if required  
8 by the Minister within 2 months thereafter shall  
9 submit to the Minister (within such period as the  
10 Minister may reasonably require) detailed proposals  
11 in respect of all matters covered by such notice and  
12 such of the other matters mentioned in subclause (1)  
13 as the Minister may require. For the avoidance of  
14 doubt, this subclause shall also apply where the Joint  
15 Venturers propose to commence undertaking an  
16 activity referred to in subclause (1)(a), (b) or (c)  
17 which is not already specified in any proposals  
18 submitted and approved pursuant to this Clause.
- 19 (4) To avoid doubt the parties acknowledge that that the  
20 provisions of this Agreement do not apply to:
- 21 (a) the mining or concentration of Non-Mining  
22 Lease ore; or
- 23 (b) the transport of Non-Mining Lease heavy  
24 mineral concentrates (other than as referred to  
25 in subclause (1)(g)(i)); or
- 26 (c) the transport of heavy minerals resulting from  
27 the separation of Non-Mining Lease heavy  
28 mineral concentrates (other than as referred  
29 to in subclause (1)(g)(ii)); or
- 30 (d) the transport of synthetic rutile produced  
31 using heavy minerals resulting from the  
32 separation of Non-Mining Lease heavy  
33 mineral concentrates (other than as referred  
34 to in subclause (1)(g)(ii)); or
- 35 (e) the transport of titanium slag.

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1                   (5)     The Joint Venturers acknowledge that the provisions  
2                             both of Clause 7(3) and of this Clause 11A are  
3                             intended to enable them to continue their processing  
4                             operations under this Agreement by expanding the  
5                             sources of feedstock for any one or more of the  
6                             Muchea dry processing plant, the Muchea synthetic  
7                             rutile plant and the Kwinana pigment plant. For the  
8                             avoidance of doubt the Joint Venturers acknowledge  
9                             that, subject to Clause 23 of this Agreement, they  
10                            must in accordance with this Agreement and  
11                            approved proposals continue to operate the Muchea  
12                            dry processing plant, the Muchea synthetic rutile  
13                            plant and the Kwinana pigment plant during the  
14                            continuance of this Agreement.

15                   **Provision of services and sharing of Agreement mine**  
16                   **infrastructure with proposed Cooljarloo West and Jurien**  
17                   **mining projects**

18                   11B.    The Joint Venturers may during the continuance of  
19                            this Agreement and with the Minister's prior consent  
20                            use any existing or new works installations or  
21                            facilities forming part of their mining operations  
22                            upon the Mining Lease and constructed, held under  
23                            or used for the purposes of this Agreement for the  
24                            purposes of developing and operating under and in  
25                            accordance with the Mining Act their proposed  
26                            mining projects at:

27                           (a)     Cooljarloo West (upon land the subject of  
28                                    mining leases 70/1314 and 70/1333, any  
29                                    mining lease or leases granted upon the  
30                                    conversion of exploration licences 70/4129  
31                                    and 70/4130 and such other mining lease or  
32                                    mining leases granted to or acquired by the  
33                                    Joint Venturers for the purposes of their  
34                                    heavy mineral project or projects at  
35                                    Cooljarloo West as the Minister may  
36                                    approve); and

37                           (b)     Jurien (upon land the subject of mining  
38                                    leases 70/434, 70/435 and 70/436 and such



- 1 other mining lease or mining leases granted  
2 to or acquired by the Joint Venturers for the  
3 purposes of their heavy mineral project or  
4 projects at Jurien as the Minister may  
5 approve).";
- 6 (5) by deleting clause 17;
- 7 (6) in clause 33 by:
- 8 (a) in subclause (1) deleting "1985" and substituting  
9 "2012"; and
- 10 (b) in subclause (1) deleting "notwithstanding  
11 section 20(1) of that Act"; and
- 12 (7) in clause 35 by:
- 13 (a) in subclause (3) inserting after the words "Mining  
14 Lease as they":
- 15 ", subject to subclause (4),"; and
- 16 (b) inserting after subclause (3) the following new  
17 subclause:
- 18 "(4) The Joint Venturers must include in their  
19 nomination under subclause (3) all of the  
20 area at the time the subject of the Mining  
21 Lease apart from any area or areas of the  
22 Mining Lease which, to the satisfaction of  
23 the Minister for Mines as confirmed in  
24 writing to the Joint Venturers before their  
25 nomination is made, has or have, as the case  
26 may be, been rehabilitated and/or restored in  
27 accordance with the approved project or  
28 approved proposals, as the case may be, and  
29 any conditions applying thereto under or  
30 pursuant to the Mining Lease, this  
31 Agreement or the EP Act."  
32

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**EXECUTED AS A DEED.**

**SIGNED** by the **HONOURABLE** )  
**MARK McGOWAN**, in the )  
presence of: )

[Signature]

[Signature]

.....  
Signature of witness

Signature of **THE HONOURABLE  
MARK McGOWAN**

TRENA MCDONALD

.....  
Name of witness (block letters)

**EXECUTED** by **TRONOX** )  
**MANAGEMENT PTY LTD** )  
ABN 59 009 343 364 in )  
accordance with section 127(1) of )  
the *Corporations Act 2001* (Cth) )  
by authority of its directors: )

[Signature]

.....  
Signature of director

[Signature]

.....  
Signature of director/~~company~~  
~~secretary~~\*

\*delete whichever is not applicable

STEVEN KAYE

.....  
Name of director (block letters)

RICHARD L MUGLIA

.....  
Name of director/~~company~~  
~~secretary~~\* (block letters)

\*delete whichever is not applicable

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