PLAINTIFF'S EXHIBIT

*** Reference number- 9620
:NO 680314.001
:TL Letter Stone James & Co to CSR Building Materials Sydney
* Sale of Wittenoom Assets. Contract of Sale executed on the 15th February 1967. Suggestion that we overlooked giving notice of the assignment, outline relevant steps taken for Sale of Wittenoom Assets.
:SO AUTHOR
OCCUPATION Lawyer
ORGANISATION Stone James & Co
PLACE Perth
REFERENCE CSR Original Documents Index No CI.054(1)
:TY LETTER, MINCLM
:LO CSR Perth
:CI NAME Broadhurst CH
OCCUPATION General Manager
ORGANISATION CSR Building Materials
PLACE Sydney
:AD ATTACHMENTS Yes
KEYWORDS Township, Assets, Agreement
:TT
14th March, 1968

The General Manager
CSR Building Materials
Sales Pty Ltd
Box 483 GPO
SYDNEY NSW

Dear Sir,

SALE OF WITTENOOM ASSETS

WE acknowledge receipt of your letter of 11th March, 1968. If you are suggesting that we overlooked giving notice of the assignment when it was given, we would like to correct this misconception on your part.

1. The contract of sales was executed on the 15th February, 1967.

2. We forwarded a draft security to Mr B[illegible] Wright on the 23rd February, 1967.

3. On the 2nd March, 1967 we were informed by the Commercial Bank's Solicitors that a further assignment of the royalty agreement to the Bank was contemplated.

4. WE replied on the 3rd March, 1967

(a) Supplying details of the Royalty Agreement

(b) Details of the previous assignment to Sentinel Mining Company Inc.

and continued

C 4597 (iv) The assignment to Australian Blue Asbestos Limited of the Royalty Agreement has not yet been executed but will rank after the two abovementioned assignments.

(v) In addition, Hamersley Iron Pty Ltd has a right to deduct from royalties at their source the balance of the amount of it.

(vi) The only other interest of which we are aware is that at the time the assignments were given to Sentinel Mining Company Inc.

LLoyd Stanley Perron and Perron Bros Pty Ltd had the right to receive fifteen per centum of the monies payable to the Hancock and Wright interest under the Royalty Agreement. WE are not aware whether this fifteen per centum still exists.

The security to Australian Blue Asbestos Pty Limited is in part a current account security and priority provisions will therefore need to be inserted in your client's security.

The consent of Sentinel Mining Company Inc and Australian Blue Asbestos Limited will be required to your clients security and will you please inform us of its details.

5. The assignment to your Company was executed on the 15th march, 1967, lodged foe assessment of Stamp Duty on the 17th March, 1967 and registered as a charge under the Companies Act and as a Bill of Sale under the Bills of Sale Act on the 21st March, 1967 prior to the registration of the securities to the Bank.

Subsequently your Company consented to the Bank's security preserving your rights under its security.

6. ON the 29th March, 1967, we received from the bank's Solicitors the executed priority letters dated 20th march, 1967.

7. On the 29th March 1967 we enclosed a notice of assignment a copy of which is enclosed for completion by Messrs Wright and Hancock and their irrespective companies and return to us. We considered the notice should be completed by these parties and not merely by us as Solicitors.

8. On the 31st March, 1967 Mr E A Wright telephoned us on receiving our notice and he stated that Hamersley Iron would raise the question of how royalties were to be paid in view of the assignments to Sentinel, your Company and the Bank and we arranged to discuss this problem with Mr George Wright of Messrs Jackson MacDonald and Co Solicitors in Perth for Hamersley Iron.

9. On the 31st March, 1967 we telephoned Mr George Wright, discussed with him the attitude of Hamersley in view of the several assignments and it was agreed that a composite authority would resolve these difficulties and we arranged for the authority to be prepared by Mr G Wright and submitted to the bank's Solicitors, Hancock and Wright and ourselves. On the same day and prior to any notice by the Bank we discussed and obtained the agreement of the Bank's Solicitors to a composite authority.

10. On the 20th April, 1967 we reminded Mr G Wright we had
C 4598 not received the composite authority and requested the composite authority from him, and pointing our that the delay was of concern to us.

We again telephoned him on the 10th May, 1967 stressing the to forward it to us on that day. WE received the authority on 12th May and a revised authority on the 16th may, 1967.

11. We discussed its terms with the Bank's Solicitors, Mr R E Blanckensee acting for Sentinel Mining and on the 26th May, 1967 wrote to Mr G Wright in the terms of the enclosed copy letter dated 26th May, 1967.

12. No reply was received from Messrs Jackson MacDonald until a letter dated 7th August, 1967 was received on the 8th August, 1967 which letter the the writer saw on his return from overseas on 13th August, 1967.

13. We discussed the amendments to the authority with Messrs G and E A Wright on the 17th August, 1967 resulting in our engrossing the authority which was forwarded to Messrs Hancock and Wright on the 25th August. The Composite Authority was then forwarded to you on 1st September,

We consider therefore it is neither fair nor accurate to say we failed to give notice of assignment at the proper time.

With regard to the quotations made by you from our letter of 12th September.

(i) The need for the Composite Authority arose only from the multiple assignments of the Royalty Agreement.

(ii) The fact that the Composite Authority was subsequently accepted without indemnity provisions arose from a change in Hamersley's attitude.

(iii) Our reference to priority in regard to time was to the fact that the Bank gave a notice to Hamersley before the Composite Authority was completed. As we have previously stated this fact did not in our opinion affect your Company's priority at law arising from priority of registration of the assignment as a charge and the provisions of the priority letter given by the Bank to your Company.

(iv) The omission of Hamersley's sealing clause from the Composite Authority arose from the fact that the original draft submitted by Hamersley's Solicitors had no sealing clause endorsed at all and in the engrossment of the document in this office we assumed Hamersley's sealing clauses would be endorsed by that Company prior to its execution of the document. This procedure is not uncommon where multiple forms of execution are used by a Company.

Whether your Company pays our account is a matter for decision by it.

Yours faithfully

Encs 2.
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