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HD **Judge rebukes Mineralogy's legal tactics**
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A West Australian Supreme Court judge has rebuked Clive Palmer's Mineralogy and ordered the **mining** group to pay **China's** Citic Pacific legal costs, estimated to exceed \$1 **million**.

Justice James Edelman on Wednesday ordered Mineralogy to pay the costs to Citic on an indemnity basis over a legal claim launched last year that Mineralogy abandoned four months later.

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The claim was made as part of what is becoming a long-running dispute with Citic Pacific over the \$10 **billion** Sino **iron** project in WA's Pilbara.

In an unusual move, Justice Edelman awarded indemnity costs, which means Citic can claim all of its legal fees rather than standard party costs, which typically recover between one-third to half the costs incurred.

Justice Edelman said Citic's legal team had spent 2656 working hours assessing Mineralogy's "frustration claim" before it was abandoned. His judgment noted Citic's lawyers cost between \$363 to \$638 an hour. Mineralogy's belief 'unreasonable'

Justice Edelman said Mineralogy's belief that its frustration claim would expedite court proceedings was "to say the least, unreasonable".

The judge hit out at Mineralogy for attempting to slow down its legal fight with Citic by making numerous applications to amend its original statement of claim. "Mineralogy's numerous, and sometimes very significant, changes to its case have slowed these proceedings down dramatically," he said.

"There will soon come a point, if it has not been already reached, when a line must be drawn so that the defendants can be clear on the detail of the case [that] they have to answer."

Lawyers for both companies were back in WA's Supreme Court on Wednesday as Mineralogy argued for an independent expert to determine royalty payments. Citic wants a judge to determine the outcome.

Justice Edelman said he had "real concern" that if an expert determined the royalty outcome the matter would **wind** up back in the courts because there were "**billions** of dollars at **stake**". This meant it was "fairly likely" that one party was going to challenge the mechanism determining the royalty payments.

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