

SE General
 HD **Palmer royalties case twists again**
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China's CITIC Pacific has flagged a claim against Clive Palmer for abuse of the legal process after the **mining** magnate's privately owned Mineralogy **company** backflipped on its legal arguments in a multimillion-dollar lawsuit for the second time in four months.

In the Supreme Court yesterday, Justice James Edelman banned Mr Palmer from making any further changes to legal pleadings without the court's permission in its case against CITIC over disputed royalty payments.

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The court was told Mineralogy's latest backflip, flagged in WestBusiness on Wednesday, was its second strategy reversal since November, and Mr Palmer had also changed his legal team three times in the last year.

At **stake** is hundreds of **millions** of dollars in production royalties from CITIC's Sino **iron** magnetite project in the Pilbara.

The formula for calculating the payments under the agreement signed by CITIC when it bought into the project in 2006 relied on an **iron ore** pricing benchmark long since abandoned by the rest of the industry, sparking the dispute about how it would now be calculated.

Until late last year Mineralogy had claimed payments could still be calculated using the original agreement, but Mr Palmer abruptly changed tack in November, instead arguing that the failure to agree to a new formula frustrated the entire agreement, entitling him to kick CITIC off the project it has spent \$10 **billion** building.

CITIC lawyer Charles Scerri told the court yesterday it was unclear whether Mineralogy's latest legal backflip was because of a confused strategy or was "conducted with an ulterior purpose". "They have made another backflip, reversing the last backflip," he said.

"If there is method in this madness it looks like it would be an abuse of process."

Justice Edelman said it appeared Mineralogy's latest reversal meant the dispute had returned to where it was 12 months ago.

Lawyers for Mineralogy told the court they were happy to consent to the orders.

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