



SUPREME COURT OF WESTERN AUSTRALIA

***WRIGHT PROSPECTING PTY LTD -v- HANCOCK
PROSPECTING PTY LTD [26] [2026] WASC 101***

**JUDGMENT SUMMARY
REASONS OF 15 APRIL 2026**

Today the Honourable Justice Smith delivered judgment in proceedings brought by Wright Prospecting Pty Ltd and DFD Rhodes Pty Ltd and others (Rhodes), involving claims in contract and equity to payment of royalties, on iron ore sold and produced from the Hope Downs mines jointly owned and operated by Hope Downs Iron Ore Pty Ltd (a subsidiary of Hancock Prospecting Pty Ltd) and Hamersley WA Pty Ltd (a subsidiary of Rio Tinto Ltd).

Her Honour's judgment also concerns a claim by Wright Prospecting Pty Ltd to a 50% proprietary interest and a share of profits received by Hope Downs Iron Ore Pty Ltd and Hancock Prospecting Pty Ltd on the sale of their share of ore from the areas of the Hope Downs mines that comprise the former exploration licences known as the East Angelas.

In the Rhodes proceedings, Rhodes' primary case in contract was that by the express terms of an agreement made in 1969, Hancock Prospecting Pty Ltd and Wright Prospecting Pty Ltd agreed to pay Rhodes a royalty on ore produced from certain reserves and tenements, including the Hope Downs and East Angelas reserves and mining tenements.

Rhodes also made a general fiduciary claim to royalties on a broader basis, based on the long history of dealings between Rhodes, Hancock Prospecting Pty Ltd and Wright Prospecting Pty Ltd that Rhodes claimed demonstrated that Hancock Prospecting Pty Ltd and Wright Prospecting Pty Ltd undertook to act in, and assumed responsibility for, Rhodes' interest in being paid royalties.

The material events in these proceedings occurred over a 40-year period and involved negotiations and agreements concerning applications for rights to prospect, explore and develop not only the Hope Downs and East Angelas reserves and exploration licence areas which now comprise sections 1 to 7 of the

Hope Downs mining lease ML 282SA, but also other reserves and tenements in the East Pilbara.

The proceedings involved the lengthy and detailed reconstruction of events principally from 1967 to 2005 from a large number of contemporaneous business records. The authors of the majority of those records are deceased. The attention required to be given to the factual matters detailed in many of these documents led to the length and complexity of many of the findings in her Honour's reasons. Adding to the complexity of the factual and legal issues requiring determination was the extent of the issues raised by the parties in their pleadings.

The trial occupied 51 days of hearing, and more than 4,000 documents were tendered into evidence as exhibits. The majority of the hearing days were taken up with submissions as to inferences the court should or should not draw from the numerous contemporaneous records, and the proper construction of the material agreements made between Rhodes and the Partnership of Hancock Prospecting Pty Ltd and Wright Prospecting Pty Ltd, and the rights and obligations of the Partnership pursuant to the terms of their partnership agreements made in 1983, 1984 and 1987.

At the heart of the issues raised by the parties to the proceedings were a number of formal agreements made decades ago between men who were friends or colleagues who for some years engaged in harmonious and co-operative arrangements to explore, discover and prospect for iron ore in the East Pilbara. They were Lang Hancock, Peter Wright and Don Rhodes. These men engaged in securing agreements for the payment of future royalties on iron ore produced from mining projects derived from iron ore deposits they had identified in areas of Crown land that had been reserved by the Minister for Mines as temporary reserves.

One of the main issues in both the Rhodes and Wright Prospecting Pty Ltd proceedings was who held the beneficial ownership of the Hope Downs and East Angelas exploration licences when these were first acquired in 1988 and 1989 by Hancock Mining Ltd (a company then wholly owned by the Hancock Family Memorial Foundation Ltd) and who now holds the beneficial interest in the 50% share of the Hope Downs mining lease held by HDIO.

These proceedings also concern succession planning within the Wright and Hancock families and a dynastic struggle between a father and a daughter, Lang Hancock and Gina Rinehart. During a lengthy period extending about nine years before the death of Lang Hancock in 1992, Lang Hancock and Gina Rinehart were in dispute about a number of matters, which disputes impacted upon the decisions being made by Lang Hancock principally concerning

the acquisition of assets and dealing with the interests of Hancock Prospecting Pty Ltd and the Hancock Family Memorial Foundation Ltd, which covered the period of time of the acquisition of the Hope Downs and East Angelas exploration licences by Hancock Mining Ltd. These disputes also led to several agreements being made between Lang Hancock and Gina Rinehart and the establishment of three trusts, two which were solely for the benefit of Gina Rinehart's children. The other was for the benefit of Gina Rinehart and her children. In the proceedings, two of the children, Bianca Rinehart and John Hancock claimed that by a series of transactions commencing in 1992, they and their siblings came to have the beneficial ownership of the Hope Downs and East Angelas exploration licences, and the share of the Hope Downs mining lease ML 282SA held by Hope Downs Iron Ore Pty Ltd.

After considering all of the claims and defences of the parties, Justice Smith:

- (a) found the beneficial owner of 50% of ML 282SA that is held by Hope Downs Iron Ore Pty Ltd, is Hancock Prospecting Pty Ltd;
- (b) dismissed Rhodes' claims in contract for royalties, and upheld in part Rhodes' claim in equity to past and future royalties payable on Hancock Prospecting Pty Ltd and Hope Downs Iron Ore Pty Ltd's 50% share of iron ore produced from sections 3 to 7 of ML 282SA (being Hope Downs 3 and the East Angelas areas);
- (c) upheld Wright Prospecting Pty Ltd's contractual claim to 50% of past and future Revenue Royalties paid to Hope Downs Iron Ore Pty Ltd by Hamersley WA Pty Ltd;
- (d) dismissed Wright Prospecting Pty Ltd's claims of a proprietary interest in sections 4 to 7 of ML 282SA (the East Angelas areas), and a consequent share of Hancock Prospecting Pty Ltd and Hope Downs Iron Ore Pty Ltd's profits generated from sections 4 to 7;
- (e) dismissed Hancock Prospecting Pty Ltd's claims for indemnity and contribution from Wright Prospecting Pty Ltd in contract and in equity, for all payments required to be made to Rhodes for royalties, interests and costs; and
- (f) upheld in part Hancock Prospecting Pty Ltd's claim in the third-party proceedings against Hamersley WA Pty Ltd in contract to contribute to orders for interest and any orders for costs payable to Rhodes and Wright Prospecting Pty Ltd.

This statement is not intended to be a substitute for the reasons of the Supreme Court or to be used in any later consideration of the Court's reasons.