

Resource Exploration Impediments

I have read through briefly the Draft Report and notice that there is an over representation of anti exploration groups. Apart from those which are confidential and know the ramifications of being honest there are 34 submissions including mine (sub 1); 8 are pro-exploration; the rest are anti-exploration and this includes the various government departments who have implemented all the red-green-black tape legislation.

The reason why anyone or any company spends money on high risk exploration is to make a very large profit.

If a resource is found and cannot be sold onto a developer or developed in-house the whole purpose of exploration is lost. THAT IS WHERE WE ARE NOW.

Historically resource development just needed finance to proceed, now the various bits of legislation need addressing and this costs a significant amount. This industry is now over regulated and discriminated against because the belief is there are unlimited financial resources available- "a cash cow" mentality exists.

To highlight the problem I draw upon a recent experience in South Australia.

A small scale explorer with years of experience decided to drill a shallow drill hole to test his theory about a potential mineral resource. The cost of the drill hole was ~\$2,500 and was to be done when a drill rig was passing by in the near future.

The quoted cost of an aboriginal heritage site clearance for a simple inspection for 1 spot was \$30,000.

The quoted cost of an Indigenous Land Use Agreement (ILUA) was \$10,000.

The quoted cost of compiling a Program for Rehabilitation (PEPR) was \$4,500 and a drilling program (WP) also had to be submitted for approval. If a consultant was employed to handle all this add another \$10,000.

Naturally the drill rig passed this site and kept going.

However a short time later a local station owner wanted a few water bores, cost of drilling and casing varied according to depth and eventually cost around \$10,000 per bore. No heritage site clearance needed, nor ILUA, PEPR or WP; consultant was a local water diviner.

Your draft report does not provide any comfort that any changes will address the fundamental problems in the mineral exploration industry.

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